ANNUAL REPORT

Privium Sustainable Impact Fund

Year ended 31 December 2022

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General information

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The Netherlands

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Key figures

(all amounts in EUR x 1,000)	2022	2021	2020	2019	2018
Total for the Fund					
Net Asset Value at 31 December	714,230	653,978	500,998	377,064	602,934
Result from investments	19,232	16,388	9,931	6,263	10,382
Changes in value	9,322	10,358	(23,764)	15,946	(5,508)
Other results	(4,895)	5,209	3,758	2,374	(555)
Costs	(3,179)	(3,032)	(2,381)	(1,839)	(3,201)
Net result for the year	**20,480**	**28,923**	**(12,456)**	**22,744**	**1,118**
Outstanding participations at 31 December	6,266,099	5,908,452	4,641,932	3,385,660	5,828,749
Per participation[1] (in EUR x 1)					
Net Asset Value at 31 December	113.98	110.69	107.93	111.37	103.44
Result from investments	3.08	2.77	2.14	1.85	1.78
Changes in value	1.49	1.75	(5.12)	4.71	(0.94)
Other results	(0.75)	0.88	0.81	0.70	(0.10)
Costs	(0.55)	(0.51)	(0.51)	(0.54)	(0.55)
Net result	**3.27**	**4.90**	**(2.68)**	**6.72**	**0.19**

Dividend payment
During the year 2022, a gross dividend amount of EUR nil (2021: EUR 13,321,603) was distributed by the Fund to the Participants.

[1] The result per participation is calculated using the average number of outstanding participations during the year.

Fund Manager report

PSIF 2022 return higher than reference index
The Privium Sustainable Impact Fund (hereafter referred to as the fund or PSIF) started on 31 August 2014 and currently consists of alternative investments in financial inclusion, renewable energy, student loans, forestry and social investments. PSIF does not compare its impact performance to a sustainability benchmark or index but instead reports its contribution to the SDG's both quantitatively and qualitatively.

The reference index for the fund is the Euro cash 3-month yield index + 2% and this index yielded 2.1% in 2022. PSIF's return for 2022 was +3.0%. This outperformance was a result of the higher returns from the financial inclusions and renewable energy funds in the PSIF portfolio. Renewable funds profited from rising power prices, while financial inclusion funds benefitted from the continued post-Covid 19 recovery.

Renewables funds – higher power prices offset higher interest rates
The performance of renewable funds in 2022 were driven by three factors – rising inflation, rising interest rates and higher power prices. All three forces were already starting to emerge in the second half of 2021, but were exacerbated by the Russian invasion of Ukraine. While inflation was seen as temporary in 2021, the expectation of it being transitory was gradually declining. As central banks globally started their fight to contain inflation, interest rates rose, impacting all financial assets from equities to bonds and real estate. The political debacle in UK (United Kingdom) also contributed to risk aversion and higher interest rates. Continued supply chain disruptions connected to lockdowns in China also did not help.

The post-Covid 19 recovery was already pushing gas and energy prices higher during second half of 2021. With the war, supply of energy from Russia to Europe was cut, showing the dependency and vulnerability of the European power system. Short term, old dirty power plants had to be restarted to keep the lights on, with negative consequences for the environment. Medium term however, the need for a more resilient power system, especially in Europe, is expected to accelerate the deployment of renewables such as wind, solar, biomass and hydrogen. In this line of thought, the European Commission launched the REPowerEU Plan, with the aim of ending the EU's dependence on Russian fossil fuels, while at the same time tackle the climate crisis. The plan contains increased 2030 targets for renewables from 40% to 45%, including an EU (European Union) Solar Strategy to double solar PV capacity by 2025, and a target of 10 million tonnes of domestic renewable hydrogen production by 2030. A key component of the plan is also to reduce energy consumption, by raising the binding energy efficiency target to 13% by 2030 from previous 9% target, compared to a 2020 reference scenario.

As energy prices soared going into the winter, governments introduced a varying set of measures. While the European Commission guided for a price cap of EUR 180 per MWh (megawatt hour), countries have implemented different measures from price caps to energy tax cuts and financial support to households. After a period of uncertainty due to the changes in leadership, UK settled on a windfall tax of 45% on income for energy companies above GBP 75 per MWh until March 2028.

In such a macroeconomic and geopolitical backdrop, the renewable funds ended the year 6% higher. The first eight months mostly saw rising fund prices as power prices rose, while the last four months partly reversed the trend as higher interest rates started to feed into fund valuations. As expected, summing up the year the negative effect of higher interest rates was more than offset by higher power prices and inflation.

The effect of power prices is different from fund to fund, depending on their hedging policies. Funds which do not hedge their power prices benefitted the most, but funds which sell power on longer term contracts benefitted too as they could lock in higher prices as contracts were gradually renewed. Many long-term energy contracts also have an inflation-linked price element, meaning as inflation goes up, the revenues also go up.

Overall, best performing funds in the power generation category were Foresight Solar (+24%), JLEN Environmental (+20%) and NextEnergy Solar (+16%). Greencoat UK Wind, which is the biggest renewable position in PSIF, gained 13% and contributed the most. Energy storage funds also gained as an aggregate, led by Gresham House Energy Storage fund (+28%). At the bottom were the energy efficiency funds with Aquila Energy Efficiency Trust -23%, Triple Point Energy Transition -15% and SDCL Energy Efficiency Income Trust -13%. The total share of renewable funds in PSIF was 48% at the end of the year.

Capital raising slowed in Q4…

During the first three quarters, many funds took advantage of the benign environment for renewable funds and were issuing new shares to fund growth and new investments. However, as the funds went from trading on average at 3% premium in September to trading at -7% discount in October, most have not been able to raise new capital since. If this persists for a longer term, it could hamper the growth outlook for the funds and in turn ability to retain talents. We might therefore see funds resorting to buyback programmes to boost the price and get back to premium territory.

SDCL Energy Efficiency raised GBP 235 million, The Renewable Infrastructure Group (TRIG) GBP 277 million, Gore Street Energy Storage GBP 150 million and HydrogenOne GBP 21.5 million. Downing Renewables and Infrastructure Trust raised GBP 53 million to purchase hydro-, solar- wind and battery assets in UK and Nordics. Victory Hill Global Sustainable Energy Opportunities issued GBP 122 million worth of shares.

PSIF participated in some new capital raising rounds. To mention the main participations, in January the fund got an allocation of EUR 2.5 million in JLEN. In March, EUR 3 million in SDCL Energy Efficiency Trust, EUR 4 million in The Renewable Infrastructure Group and EUR 5.5 million in Greencoat Renewables. In April 2 million in HydrogenOne. In June, EUR 3 million in the Victory Hill fund, EUR 3 million in Downing Renewable & Infrastructure fund and EUR 4 million in Foresight Sustainable Forest fund.

… but underlying activity steady throughout the year

Despite the more challenging capital market environment towards the end of the year, the underlying investment activity was steady throughout the year. The funds were well capitalized going into the fourth quarter, and they could also fund investments through debt if necessary.

Both TRIG and UK Wind bought stakes in the Hornsea One offshore windfarm during the first half of the year. Hornsea One is the largest operating windfarm in the world with a capacity of 1.2 GW. TRIG also invested in a solar farm in Spain for GBP 80 million and committed to three battery storage development projects with capacity of 250 MW in total, expected to be operational in 2024, 2025 and 2029.

Victory Hill Global Sustainable Environmental Opportunities purchased an existing Brazilian 198MW hydroelectric power plant for GBP 133 million, and plans to also expand into solar power in Mexico.

ThomasLloyd completed its investments in India and Philippines and is fully deployed. The fund also entered Vietnam by investing in rooftop solar through a partnership with Solar Electric Vietnam.

HydrogenOne Capital Growth was negatively impacted by the sharp declines in the price of quoted shares in the hydrogen sector. Underlying investment activity was however solid and they invested into among others Norwegian green hydrogen producer Gen2, hydrogen-electric airplanes developer Cranfield Aerospace, Tallinn-based fuel cell and electrolyser company Elcogen, Dutch hydrogen pipeline-focused company Strohm and German green hydrogen Thierbach Project developed by HH2E.

At Ecofin US Renewables, the entire portfolio management team of three people resigned in August. After a few months of searching, they found a new manager with extensive experience, and the concerns around the future of the fund were alleviated.

Funds broadened investment scope, entered battery storage
Many funds broadened their investment mandates to capture new market opportunities and to fund more development stage projects. Gresham House got the approval from shareholders to invest up to 10% in ready-to-build projects, while TRIG intends to increase share of development assets from 15% to 25%. Funding more early-stage developments comes with higher risks, but also higher expected returns and higher direct impact as well.

JLEN continued to diversify by investing in a glasshouse project, to be built close to an anaerobic digestion plant which is expected to supply the heat and power to the glasshouse, while the waste from the glasshouse can feed the AD (Anaerobic Digestion) plant in a circular manner.

Greencoat Renewables is expanding its geographical footprint and invested in a 134MW wind farm in Sweden, expected to be fully commissioned in Q4 2023.

Many funds are entering the battery storage business, as they see synergies with their power producing assets which are intermittent by nature. JLEN and Foresight Solar together bought a to-be-built UK 50MW battery storage project. NextEnergy Solar also adjusted its investment policy and will, through a joint venture with Eelpower, develop 500MW of battery storage in the UK.

Octopus Renewable Infrastructure dipped their toes into battery storage as they invested in a ready-to-build battery storage project in Bedfordshire (UK). The fund also broadened its investment mandate by opening up for more offshore wind investments and invested into Simply Blue Group, an Irish offshore wind developer.

Looking at the pure energy storage funds, Gore Street has a large part of the portfolio still under construction, while Gresham House is operational. The difference has been evident in the performance of the funds, with the price of Gresham up 29% while Gore Street was largely flat. Gore Street has however made significant acquisitions and reached some major project milestones, which bodes well for coming years.

Energy Efficiency in Transition – shifting gears
The prices of Energy Efficiency funds declined, as they tend to have fixed revenue streams/contracts and not benefitting as much on rising power prices and inflation. However, as energy savings became a focal point during 2022, the underlying investment activities continued.

TriplePoint Energy Efficiency fund was already fully invested by February, and like many other funds, entered battery storage. With the expanded investment strategy, the fund renamed itself to TriplePoint Energy Transition fund.

SDCL agreed to acquire 70 operational solar PV projects for GBP ~100 million, totalling 69MW in the Northwest of England, and increased footprint in the US through the acquisition of United Utilities Renewable Energy company which consists of 90% solar assets. Also, biomass cogeneration plant, cooling solutions to datacentres, battery storage system provider and financing of geothermal projects.

Aquila Energy Efficiency Trust, which was launched in May 2021, was showing slower capital deployment than expected after the first six months and also saw two board members depart due to disagreement about the investment policy. This led to a series of discussions within the trust and with the investors (including PSIF), which resulted in a strategy review, hiring of a consultant and extra staff. The pace of investments consequently increased and the trust was fully invested by the end of the year, but the price was still significantly depressed and trading at a discount of almost 30%.

The most important non-financial impact of sustainable energy funds is the clean energy production of their investments. This sustainable impact is also stated in the fund's impact report on the website, www.psif.nl. For the PSIF portfolio during 2022, the sustainable impact was equal to the electricity consumption of 131,586 homes or a reduction in CO_2 emissions equal to that of 107,688 cars.

Natural capital – 514.000 trees planted

Foresight Sustainable Forestry Fund, which was launched in late 2021 and of which PSIF holds 5%, was already fully committed by mid-2022 and raised another GBP 45 million, which was also almost all deployed by the end of the year. The capital is put into both existing forests, but also ~40% into afforestation projects. The fund price gained 10% during the year, supported by afforestation projects going from planning stage to implementation stage, but also on expectations of carbon credits as it is expected to generate 5 million carbon credits by 2050. The fund also has an innovative credit facility, where the interest rate depends on the increase in the number of ha for CO2 sequestration, such as reforestation or peat restoration. A total of 514.000 trees has been planted on their afforestation sites.

Financial inclusion – price recovery and increased impact

The financial inclusion (microfinance) funds on balance achieved a positive return last year. The Triodos Microfinance Fund increased the most with a 4.5% increase. As the post-Covid 19 economic activity rebounded, the demand for credit grew and disbursements increased overall. However, as food and energy prices soared, some developing countries faced bigger challenges. Combined with political turmoil, pockets of worries included Myanmar, Sri Lanka and Pakistan to mention a few. While most funds had minor positions in Ukraine, which were provisioned, none of the funds had exposure to Russia.

More microfinance investors are looking to fintech, as it enables institutions to serve people in remote areas more efficiently at lower cost. This includes the financial inclusion funds in PSIF. Triodos Microfinance Fund invested in Lendingkart, a digital platform in India lending to micro, small and medium size entrepreneurs. Separately, AA (ABN Amro) Symbiotics Emerging Market Impact Debt fund has increased its exposure to fintech in Africa, including MFS Africa, a digital payments platform in over 30 countries.

During the year, some additions to the holdings of the financial inclusion funds were done. At year end the total holdings in these funds amounted to 46% of the total portfolio, an increase from 44% the year before. A total of 140,691 entrepreneurs were financed with these investments by the funds in portfolio. In addition to this indicator, we also measure how many borrowers live in rural areas and the percentage of female borrowers. These correspond to sustainable development goals 10 and 5.

Outlook - Waiting for clarity

Markets are in a muddle. There are conflicting signals, rallies and big declines all following each other in short order.

The current market themes of inflation, central bank hikes and recession are unfolding along unpredictable timelines. What we do know is that they typically follow one another.

We saw inflation – rising stubbornly since mid-2021 and then moving higher and lasting longer than expected. This provoked interest rate hikes by central banks around the world -- with the Fed hiking by more than 4% in 2022 alone; and the European Central Bank (ECB) acting more aggressively to hike rates than it has ever done before. Central banks now appear on the cusp of believing that inflation is coming under control. As a result, we expect a recession. Central bank tightening will rein in overactivity funded by cheap money and low borrowing costs.

In the meantime, we have seen a rebound in equity markets, based on better-than-expected growth in Europe and China, and the market's hope that the Fed will reverse its hiking course sooner than expected – contrary to all the Fed's indications. In response to this uncertainty, markets are volatile and divergent.

The base-case scenario that informs our investment strategy calls for a shallow but protracted recession in Europe and a more benign but real downturn for the US economy in 2023. Earlier, we thought that the situation in Europe would be more dire. But given the improvement in the energy outlook and the effect of lower gas prices on consumers, the eurozone is in a better position than expected.

Europe will likely be benefitting more than the US from China's opening-up after zero-covid lockdown policies. Economic growth in China is expected to reach 5.2% this year, well above the already upwardly revised growth estimates for Europe (-0.3%) and the US (0.7%). China's growth will likely also positively influence other regional economies.

We believe more time is needed before investors will see a sustainable recovery. In the meantime, we expect volatile markets, as they jump in response to macro data, central bank actions, inflation releases and job reports – among other factors. Both the Fed and the ECB are resolute in stating that they are not finished with hiking interest rates. We expect that their last hikes will dove-tail with a protracted recession in Europe and a sharp downturn in the US. It therefore remains a time for caution and patience in both bond and equity markets.

Diversification is one way to buffer the effect of market volatility on a portfolio. Also for the year 2023 we anticipate to hedge direct foreign exchange exposures in full.

Sustainable investment objective

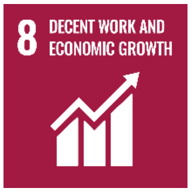
The objective of the Privium Sustainable Impact Fund (PSIF) is to achieve impact and long term capital growth by making sustainable impact investments. The Fund invests in a diversified portfolio of listed and unlisted Investment Funds, Investee Companies and fixed income instruments with the intent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

The objective of the Fund meets the sustainable investment definition of article 2 (17) of the Sustainable Finance Disclosure Regulation (SFDR):

"Sustainable investment' means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance."
PSIF has a multi-thematic approach, meaning an investment is categorized under a main ESG theme. The ESG themes currently being targeted include: 1: Financial Inclusion, 2: Education, 3: Renewable Energy, 4: Natural Capital and 5: Social Impact. The themes may change or expanded as the investment universe broadens.

Each theme aims to contribute to several SDGs. The impact of the Fund is measured on each SDG using impact key performance indicators. The table below provides an overview of the SDG target, its Key Performance Indicator and the way the impact is measured.

Financial Inclusion (covering investments with a social objective)			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
5 GENDER EQUALITY	Increase gender equality and empower women by facilitating access to finance for women.	The % loans to women (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.

	Increase sustained, inclusive and sustainable economic growth, full and productive employment and decent work.	The impact is being measured by the increased number of entrepreneurs financed (based on the Invested Capital of the Fund).	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
	Reduce the development gap between urban and rural communities in developing economies by increasing the number of loans to borrowers in rural areas	The % loans to borrowers in rural areas (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
Education (covering investments with a social objective)			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities by providing loans to underprivileged students with access to education. Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease. Any increase will depend on development of new investment structures.	The number of loans being provided to students (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.

10 REDUCED INEQUALITIES	Reduce inequality within and among countries by increasing the number of students from developing economies that gaining access to education. Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease. Any Increase will depend on development of new investment structures.	The % of loans being provided to students from non-high-income countries (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
Renewable Energy (covering investments with an environmental objective)			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy by increasing the share of renewable energy in the global energy mix	The number of MWh (megawatt-hour) renewable energy generated or stored (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation by increasing the construction of renewable energy capacity and related infrastructure	The number of MW (megawatt) renewable energy generation or storage capacity installed (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts by avoiding CO^2 emissions from fossil fuel by investing in renewable energy and CO^2-saving projects	The number of tCO^2 emissions avoided (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting

			date of an investment deviates, the most up-to-date data is used.
Natural Capital (covering investments with an environmental objective)			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
6 CLEAN WATER AND SANITATION	Ensure sustainable management of water and sanitation by responsibly managing waterways in invested natural capital projects.	Kilometres of sustainably managed watercourses. (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts by avoiding CO^2 emissions by investing natural capital projects	Portfolio sequestration of tonnes ofCO^2e / annum. (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss by investing natural capital projects	Number of hectares of sustainably managed land area(based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
Social Impact (covering investments with a social objective)			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured

10 REDUCED INEQUALITIES	Reduce inequalities on a local level by provide disadvantaged people with essential services	Number of people provided with essential services (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and settlements inclusive, safe, resilient and sustainable by providing safe, affordable housing and basic services to disadvantaged people.	Number of disadvantaged people provided with affordable, quality homes (based on the Invested Capital of the Fund)	The impact of the Fund is being measured based on the information being received from the underlying investments, including Annual Reports, Impact Reports or other periodic reporting information. Where the reporting date of an investment deviates, the most up-to-date data is used.

For the investments with an environmental objective the Fund commits to the goals of the Paris Agreement. This encompasses a mid-term ambition (2030) and a long-term commitment to be net zero by 2050.

1: 2025 objectives: To align with a pathway towards achieving the Paris Agreement.
2: 2030 ambition: To align with the Paris Agreement pathway.
3: 2050 commitment: Net-zero investor

Target allocation
PSIF aims to invest 100% of invested capital in:
a) SFDR article 9 funds, and or
b) Non-EU funds that make 100% sustainable investments based on proprietary analysis, and,
c) Companies and financial instruments deemed to be sustainable based on proprietary analysis.

A minimum of 20% of the invested capital of the Fund will contribute to an environmental objective and a minimum of 20% of the invested capital of the Fund will contribute to a social objective.

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

- Cash or money market instruments: the Fund may hold cash or money market instruments committed to a planned investment, cash freely available for investment or cash for portfolio management purposes.

- Foreign currency hedging: the Fund may hedge its foreign currency exposure for portfolio management purposes. The Fund does not apply hedging instruments or other derivatives for other purposes.

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

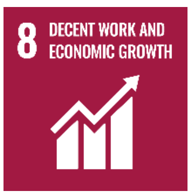
An investment that is found to no longer fit with the Fund’s objective or does not meet the minimum criteria, will be divested.

Proportion of Sustainability related investments in PSIF

Sustainable Investments	95.6%
Other	4.4%

Results as of December 31, 2022 and December 31, 2021

Please note that the number of impact themes and sustainability indicators have expanded during the year 2022.

SDG	Key Performance Indicator (KPI)	2022 and 2021
	The % loans to women (based on the Invested Capital of the Fund)	2022: 50% 2021: 68%
	The impact is being measured by the increased number of entrepreneurs financed (based on the Invested Capital of the Fund)	2022: 139,444 2021: 126,633
	The % loans to borrowers in rural areas (based on the Invested Capital of the Fund)	2022: 39% 2021: 56%
SDG	**Key Performance Indicator (KPI)**	**2022 and 2021**
	The number of loans being provided to students (based on the Invested Capital of the Fund)	2022: 661 2021: 1,008
	The % of loans being provided to students from non-high-income countries (based on the Invested Capital of the Fund)	2022: 79% 2021: 96%
SDG	**Key Performance Indicator (KPI)**	**2022 and 2021**

7 AFFORDABLE AND CLEAN ENERGY	The number of MWh (megawatt-hour) renewable energy generated or stored (based on the Invested Capital of the Fund)	2022: 366,360 MWH 2021: 278,899 MWh
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	The number of MW (megawatt) renewable energy generation or storage capacity installed (based on the Invested Capital of the Fund)	2022: 250 MW 2021: 246 MW
13 CLIMATE ACTION	The number of tCO^2 emissions avoided (based on the Invested Capital of the Fund)	2022: 178,253 2021: 125,732
SDG	**Key Performance Indicator (KPI)**	**2022 and 2021**
6 CLEAN WATER AND SANITATION	Kilometres of sustainably managed watercourses (based on the Invested Capital of the Fund)	2022: 13 2021: N/A. Introduced during 2022
13 CLIMATE ACTION	Portfolio sequestration of tonnes ofCO^2e / annum (based on the Invested Capital of the Fund)	2022:1,326 2021: N/A. Introduced during 2022
15 LIFE ON LAND	Number of hectares of sustainably managed land area (based on the Invested Capital of the Fund)	2022: 442 2021: N/A. Introduced during 2022
SDG	**Key Performance Indicator (KPI)**	**2022 and 2021**
10 REDUCED INEQUALITIES	Number of people provided with essential services (based on the Invested Capital of the Fund)[1]	2022: 6,963 2021: N/A. Introduced during 2022

11 SUSTAINABLE CITIES AND COMMUNITIES	Number of disadvantaged people provided with affordable, quality homes (based on the Invested Capital of the Fund)[1]	2022: 891 2021: N/A. Introduced during 2022

[1] As the quantitative value of social impact may be challenging to measure specifically, the underlying fund is not yet able to allocate the impact made by its investee projects directly to the value of its investment. Therefore, the auditable full impact result of the projects rather than the estimated proportional impact generated by the underlying fund's investment into the projects is currently shown in their reporting. As with the other impact KPI's, this number is allocated proportionally to PSIF's holding in the underlying fund.

The information mentioned in the table above covers the most current reporting from underlying funds per December 31, 2022 (2021). Where the reporting date of a fund deviates from the January 1 to December 31 reporting period, the most recent data is used. This may include unaudited data from the underlying investments and some investments haven't reported yet because their KPI reporting is still in development since these are newly launched funds. Unless otherwise stated, impact results refer to the Fund's actual interest in the underlying funds.

<u>Policy on the integration of sustainability risks into investment decisions</u>
Certain investments of the Fund may allow for a direct analysis of the relevant sustainability risks. 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 direct link is not available for the Fund's investment into other funds, causing the preferred sub-sector approach to sustainability risk analysis to not be applicable. Here the analysis will have to focus on the investee fund's manager, policies, and reporting on sustainability risk management. The due diligence process for any new fund investment will contain the following topics:

- Analysis of the fund's sustainability risk related disclosures and reporting
- Questioning the fund manager on the sustainability risks the fund is exposed to
- Questioning the fund manager on the concentration of sustainability risks in the portfolio and its development over time
- Analysis of the fund manager's policy for identifying, measuring and monitoring sustainability risks
- Questioning if the fund manager takes Principle Adverse Impacts into account as prescribed by the SFDR

Irrespective of whether the investee fund is subject to the SFDR, the exposure to sustainability risk is investigated.

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

Considering the broad scope of the Fund's investment policy, it is not possible to pre-define which sustainability risks will likely be material. Additionally, the estimated sensitivity of the Fund to specific sustainability risks will depend on the sector diversification. The broader the diversification across economic sectors, the lower the sensitivity.

Monitoring of sustainability risks in the Fund

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

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

Alignment with international governance standards

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

Principal Adverse Impacts

The investments of the Fund may have a principal adverse impact on sustainability factors as defined in Regulation (EU) 2019/2088. Therefore, the Fund has considered these and will create a dedicated report on the principal adverse impacts ("PAI").

Taxonomy Regulation

The Fund may make investments that contribute to climate change adaptation or mitigation as defined in article 9 of the Taxonomy Regulation (EU) 2020/582 ("the Taxonomy Regulation"). The fund does not target a specific allocation to this type of investment.

To determine its alignment with the requirements of the Taxonomy Regulation, the Fund is dependent on the underlying reporting of its investments. We refer to the Annex 5 template for further information which is part of this Annual Report.

Risk management and willingness to take risks

There have been no risk breaches during the year 2022. The risk profile of the Fund hasn't changed during the reporting period. Neither did the investment objective (s) or any of the investment restrictions of the Fund changed during the reporting period.

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

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

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2022 NAV	Expected impact on 2023 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2022 or 2023
Price/Market Risk	No	The fund maintains a number of long only equity investments. This includes the listed Renewable Energy Funds, Social Impact Fund and the Natural Capital Funds. Strong bottom-up company analysis is a very important item in mitigating risks during the holding period of a position. However price fluctuations due to general equity market movements during the holding period can't be mitigated or avoided in full by conducting company analysis. This risk is inherent when securities like equities are traded.	The Privium Sustainable Impact Fund gained +3% in 2022. The Fund does not have an official benchmark but the fund's performance is compared with a reference index only. This includes Euribor + 2%. The index gained +2.1% in 2022.	Investments are selected after a thorough due diligence process but the occurance of this risk will also largely depend on general market circumstances.	No
Manager Risk	No	The Fund maintains a number of investments in other investment funds. These are mostly Financial Inclusion Funds or other Impact funds. These funds are mostly managed by external Fund Management companies. An exception is the FMO Privium Impact Fund. A rigid due diligence process is in place when investment funds are selected.	The Fund outperformed the reference index during 2022. Global Equities, measured by the MSCI World Index (EUR) lost -14.7% in 2022, bonds measured by the Vanguard Global Bond Index Fund (EUR) lost -15.06% in 2022.	Much will depend on the actual positioning of the underlying investment funds. However we expect that the the selected investments funds will perform better than general equity markets over the long term on a risk adjusted basis.	No
Emerging Market risk	No	A significant weight of the portfolio is allocated to Financial Inclusion Funds and other Impact funds. These investments are mainly made in Emerging Markets. This risk is partially mitigated by having rigid selection criteria in place by the underlying Fund Managers.	None	This will depend on general market circumstances.	No
Interest rate risk	No	The Fund maintains a number of positions in Funds which invest in interest bearing securities but these are mostly floating rate positions. An additional explanation on interest rate risk can be found in the risk paragraph of the annual accounts.	This has been limited.	Much will depend on the actual positioning of the underlying investment funds.	No
Foreign Exchange risk	No	The fund has the possibility to hedge direct currency risks in full.	The Fund maintains investments denominated in EUR, USD and GBP. Direct foreign FX exposure, being USD and GBP, was fully hedged.	Direct FX exposures are hedged in full.	Yes
Liquidity risk	No	Liquidity risk mostly has been mitigated by investing in positions that offer sufficient liquidity. However some of the underlying investments of PSIF, predominantly the Financial Inclusion Funds, may have a liquidity mismatch between the liquidity which is offered to investors and the liquidity of the underlying investments of those funds. When these funds receive large redemptions from investors the underlying Fund Managers may decide to gate redemptions. When at the same time PSIF is having large redemptions from investors as well, the Fund Manager may suspend redemptions to protect the remaining investors of PSIF.	None	We would not expect a negative NAV impact if this risk would materialize.	No
Credit risk	No	Spare cash is maintained at ABN AMRO. ABN AMRO has an A credit rating (S&P credit rating) and we would reconsider the position if this changes.	None	None	No
Operational risk	No	This risk is mostly mitigated by having rigid operational procedures in place. Next to that duties and responsibilities are clearly divided between Privium employees. The same is applicable at the service providers of the several Privium Funds.	None	None	No
Counterparty Risk	No	This risk is mostly mitigated by selecting and maintaining relationships with top tier counterparties and service providers.	None	None	No
Leverage Risk	No	The Fund is not utilizing any borrowings to take positions. Because the Fund is hedging direct FX risk by using FX forwards, the fund is utilizing implied leverage. As of December 31, 2022 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 163.22% and Commitment	None	None	No
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Since the Fund is investing in other investment funds and products, a clear understanding of the sustainability risks in these investee funds / products is required. Therefore, the due diligence process for any new fund investment will contain at a minimum the following topics: • Analysis of the fund's sustainability risk related disclosures and reporting • Questioning the fund manager on the sustainability risks the fund is exposed to • Questioning the fund manager on the concentration of sustainability risks in the portfolio and its development over time • Analysis of the fund manager's policy for identifying, measuring and monitoring sustainability risks • Questioning if the fund manager takes Principle Adverse Impacts into account as prescribed by the SFDR	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"), risk monitoring and risk measuring in order to ensure that the risk level complies on an ongoing basis with the AIF's risk profile.

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

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

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

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

The positions of the fund are administered and reconciled using SS&C Eze Investment Suite and risk metrics such as value at risk, stress scenarios and portfolio liquidity are obtained through Bloomberg.
The CM system is responsible for monitoring of the pre-defined risk limits. The limits can either be configured as notification limits, soft limits or hard limits. In case of a breach of any of the limits, the escalation procedures are followed as described in the Global Risk Management Framework (Annex 17) of the Privium Handbook.

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

In 2016 Privium's senior management team decided to engage an external party in the annual evaluation of the internal processes. This audit primarily focusses on risk management and compliance processes. In Q4 2022 and during the first two months of 2023 this audit was performed and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

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

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

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

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

Remuneration policy 2022

This overview is based on the situation as of December 31, 2022. 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, 2021 and the second table shows the remuneration overview as of December 31, 2022.

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

<u>Overview as December 31, 2021</u>

	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**

Overview as December 31, 2022

	Identified staff in senior management roles	Identified staff outside senior management roles	Total staff
Number of staff	3	38	41
Total fixed remuneration	€ 279.397	€ 9.303.709	€ 9.583.106
Total variable remuneration	€ 0	€ 479.953	€ 479.953
Total remuneration	**€ 279.397**	**€ 9.783.663**	**€ 10.063.059**

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

In 2022 no variable payments regarding the Privium Sustainable Impact Fund have been paid to any Identified Staff of Privium.

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

Privium Fund Management B.V., the Fund Manager of the various funds, does not charge any employee remuneration fees to the funds, except for the Supermarkt Vastgoed fund. The Supermarkt Vastgoed fund already had an ‘at cost’ fee model prior to Privium being appointed as Fund Manager, instead of the more common model where the Fund Manager receives a management fee that is a percentage of the AUM.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 41 staff members were involved during (some part of) the year 2022 (2021: 39), including consultants and including both part-time and full-time staff.

No staff members have earned more than Euro one million in relation to the performance results during the year 2022 (2021: three).

Remuneration Investee Funds
The Privium Sustainable Impact Fund invests, among other securities, in other Investee Funds. These Funds are managed by other Investment Managers. These Investment Managers are regulated and need to comply with the local legislation in the countries in which they are regulated. The Investment Objective and Investment Strategy of the Investee Funds are guided by a clear framework and should avoid any excessive risk taking. The Investment Managers of the Investee Funds each have remuneration policies in place as required by law. This both includes fixed and variable remuneration. In the audited financial statements of the Investee Funds these remuneration policies are explained in greater detail.

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 2022 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 2022 functioned effectively as described. During 2022 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 2022 update was completed in November 2022. During the fourth quarter of 2022 and the first two months of 2023 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

Financial statements

Balance sheet as at 31 December

(all amounts in EUR)	Notes	2022	2021
Assets			
Investments	1		
Investment funds		669,221,242	622,921,017
Bonds		13,554,654	21,222,177
Forward contracts		2,041,924	1,360,497
Total of investments		**684,817,820**	**645,503,691**
Receivables			
Due from broker		-	339
Prepaid investments	2	-	2,484,609
Other receivables	3	520,420	420,475
Total of receivables		**520,420**	**2,905,423**
Other assets			
Cash	4	29,116,158	13,304,884
Total of other assets		**29,116,158**	**13,304,884**
Total assets		**714,454,398**	**661,713,998**
Liabilities			
Net asset value	5		
Participations paid in surplus		669,174,221	629,402,500
Undistributed income prior years		24,575,790	(4,347,174)
Result current year		20,480,393	28,922,964
Total net asset value		**714,230,404**	**653,978,290**
Other liabilities			
Due to brokers		431	7,500,250
Other liabilities	6	233,563	235,458
Total other liabilities		**233,994**	**7,735,708**
Total liabilities		**714,454,398**	**661,713,998**

Profit and loss statement

(For the year ended 31 December)

(all amounts in EUR)	Notes	2022	2021
Investment result			
Dividend income	7	18,055,057	14,886,626
Interest income	8	1,176,549	1,501,520
Total investment result		**19,231,606**	**16,388,146**
Revaluation of investments	9		
Realised results		2,666,430	(32,142,602)
Unrealised results		6,655,950	42,500,400
Total changes in value		**9,322,380**	**10,357,798**
Other results			
Foreign currency translation	10	(5,119,140)	4,105,460
Interest income on bank accounts		33,642	5,210
Other income	11	427,726	1,098,671
Total other results		**(4,657,772)**	**5,209,341**
Operating expenses			
Management fee	12	(2,141,509)	(1,778,717)
Administration fees	13	(237,212)	(197,726)
Custody expenses	14	(219,058)	(161,824)
Depositary fees	15	(118,529)	(95,775)
Legal owner fees	16	(8,727)	(8,496)
Interest expenses	17	(79,213)	(142,774)
Brokerage fees and other transaction costs		(212,573)	(299,291)
Audit fees	18	(23,729)	(24,369)
Legal fees		-	(2,220)
Supervision fees		(94,616)	(46,253)
Tax advisory fees		(43,740)	(13,153)
Other expenses		(333)	(313)
Total operating expenses		**(3,179,239)**	**(2,770,911)**
Result for the year before tax		**20,716,975**	**29,184,374**
Withholding tax	20	(236,582)	(261,410)
Net result for the year after tax		**20,480,393**	**28,922,964**

Cash flow statement

(For the year ended 31 December)

(all amounts in EUR)	Notes	2022	2021
Cash flow from operating activities			
Purchases of investments		(143,926,069)	(272,870,701)
Proceeds from sales of investments		108,919,449	111,821,076
Dividend received		17,728,012	14,204,754
Interest received		1,210,191	1,506,730
Interest paid		(79,213)	(163,475)
Management fee paid		(2,126,154)	(1,739,379)
Operating expenses paid		(995,249)	(883,370)
Other income received		427,726	1,098,671
Net cash flow from operating activities		**(18,841,307)**	**(147,025,694)**
Cash flow from financing activities			
Proceeds from subscriptions to redeemable shares		93,134,869	169,966,150
Payments for redemption of redeemable shares		(53,363,148)	(33,837,268)
Dividend paid		-	(11,323,363)
Dividend tax paid		-	(1,998,240)
Net cash flow from financing activities		**39,771,721**	**122,807,279**
Net cash flow for the year		**20,930,414**	**(24,218,415)**
Cash at beginning of the year		13,304,884	33,417,839
Foreign currency translation	10	(5,119,140)	4,105,460
Cash at the end of the year	4	**29,116,158**	**13,304,884**

Notes to the financial statements

General information

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

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

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

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

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

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

Subscription and redemption fee
In order to determine the total amount due by the subscriber to the Fund the total subscription price may at the sole discretion of the Fund Manager be increased by a surcharge in the event subscriptions on the applicable Subscription Note Date exceed redemptions on such day and the associated costs to the Fund are material. The surcharge shall not exceed 0.5% of the Total Subscription Price of the Participations subscribed for. The surcharge shall be for the benefit of the Fund. For 2022 the Fund has not applied any such surcharges.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations, the Total Redemption Price may at the sole discretion of the Fund Manager be reduced by a discount in the event redemptions on the applicable Redemption Note Date exceed subscriptions on such day and the associated costs to the Fund are material. The discount shall not exceed 0.5% of the relevant Total Redemption Price of the Participations redeemed. The discount shall be for the benefit of the Fund. For 2022 the Fund has not applied any such discounts.

Accounting policies

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

Basis of accounting
Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model. The financial statements of the Fund have been prepared on a going concern basis as the management has no indications that the activities cannot be continued in the near future.

Judgement, estimates, assumptions and uncertainties
The management of the Fund makes various judgments and estimates when applying the accounting policies and rules for preparing the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the consolidated financial statements in future periods. There are no significant estimates and assumptions.

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

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

Investments

<u>Recognition and basis of measurement</u>
All investment securities are initially recognized at cost.

<u>Valuation</u>
Investment securities are valued at the last price on the largest recognized market on which they are traded. For securities in which no trading took place on that date the securities are valued at the most recent official price. Securities which are neither listed nor quoted on any securities exchange or similar electronic system or if, being so listed or quoted, are not regularly traded thereon or in respect of which no prices as described above are available, will be valued at their probable realization value as determined by the Fund Manager (or Administrator as delegated party) in good faith having regard to its cost price. Investments in funds (fund-of-fund) will be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Fund. In the absence of quoted values or audited net asset value calculations, the valuation of the investments is based on the reported values of the respective funds in which the Fund has a position.

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

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

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

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

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

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

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

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

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

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

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

Ongoing charges figure (OCF)
The ongoing charges figure contains all costs that have been charged to the Fund for the period 1 January 2022 until 31 December 2022 excluding the transaction costs, interest costs and performance fees. The ongoing charges figure is calculated by dividing all the costs of the period with the average net asset value. The average net asset value is calculated by adding all the monthly net asset values and divide them by the number of month’s used (for this period the number of months is 12).

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

Notes to the balance sheet

1. Investments

(all amounts in EUR)	2022	2021
Investment funds	669,221,242	622,921,017
Bonds	13,554,654	21,222,177
Forward contract Long	2,041,924	1,360,497
Position as per 31 December	**684,817,820**	**645,503,691**

FX Forward contract details

Contract	**Maturity**		**Bought**		**Sold**	**Value**
FX Forward EUR / GBP	31/01/2022	EUR	286,080,804	GBP	252,600,000	978,762
FX Forward EUR / USD	31/01/2022	EUR	196,008,021	USD	209,100,000	1,063,162

The movement of the financial instruments is as follows:

	2022	2021
Investment funds		
Opening balance	622,921,017	440,113,997
Purchases	49,231,020	153,152,946
Sales	(10,458,516)	(11,137,539)
Realised investment result	2,085,641	1,522,243
Unrealised investment result	5,442,080	39,269,370
Balance at 31 December	**669,221,242**	**622,921,017**
Bonds		
Opening balance	21,222,177	30,509,208
Purchases	87,195,230	127,218,005
Sales	(95,395,196)	(136,962,511)
Realised investment result	-	129,181
Unrealised investment result	532,443	328,294
Balance at 31 December	**13,554,654**	**21,222,177**
Forward contracts		
Opening balance	1,360,497	(1,542,239)
Sales and expirations	(580,789)	33,794,026
Realised investment result	580,789	(33,794,026)
Unrealised investment result	681,427	2,902,736
Balance at 31 December	**2,041,924**	**1,360,497**

Portfolio breakdown to valuation methods

(all amounts in EUR)	2022	2021
Quoted prices	359,445,806	358,248,947
Net Present Value calculations	325,372,014	287,255,083
Balance at 31 December	**684,817,820**	**645,504,030**

2. Prepaid investments

The amount for prepaid investments consists of balances at brokers on which no restrictions on the use exist at 31 December 2022 and 31 December 2021.

3. Other receivables

(all amounts in EUR)	2022	2021
Dividends receivable	510,925	420,462
Prepaid administration fee	9,495	13
Balance at 31 December	**520,420**	**420,475**

4. Cash

At 31 December 2022 and 31 December 2021, no restrictions on the use of cash exist.

5. Redeemable participations

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

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

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

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

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

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

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

Movement schedule of net asset value

(all amounts in EUR)	2022	2021
Participations paid in surplus		
Opening balance	629,402,500	492,023,618
Subscriptions to redeemable shares	93,134,869	171,216,150
Redemption of redeemable shares	(53,363,148)	(33,837,268)
Closing balance	**669,174,221**	**629,402,500**
Undistributed result prior years		
Opening balance	(4,347,174)	21,430,528
Addition from undistributed result	28,922,964	(12,456,099)
Dividend paid	-	(13,321,603)
Closing balance	**24,575,790**	**(4,347,174)**
Undistributed result		
Opening balance	28,922,964	(12,456,099)
Addition to undistributed result prior years	(28,922,964)	12,456,099
Result current year	20,480,393	28,922,964
Closing balance	**20,480,393**	**28,922,964**
Total net assets value at 31 December	**714,230,404**	**653,978,290**

Movement schedule of participations

(in number of participations)	2022	2021
Outstanding participations		
Opening balance	5,908,452	4,641,932
Subscriptions to redeemable shares	826,530	1,578,005
Redemption of redeemable shares	(468,883)	(311,485)
Outstanding participations at 31 December	**6,266,099**	**5,908,452**

6. Other liabilities

(all amounts in EUR)	2022	2021
Management fees payable	182,028	166,673
Audit fees payable	20,522	12,371
Reporting fees payable	5,180	4,868
AIFMD fees payable	363	342
Custodian fees payable	15,387	16,154
Withholding tax payable	-	34,972
Other liabilities	83	78
Balance at 31 December	**223,563**	**235,458**

Notes to the profit and loss statement

7. Dividend income

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

(all amounts in EUR)	2022	2021
Dividend income	18,055,057	14,886,626
Total dividend income	**18,055,057**	**14,886,626**

8. Interest income

(all amounts in EUR)	2022	2021
Interest income	1,176,549	1,501,520
Total interest income	**1,176,549**	**1,501,250**

9. Revaluation of investments

(all amounts in EUR)	2022	2021
Net realised result on financial assets and liabilities at fair value through profit or loss		
Realised gains on investment funds	2,085,641	1,522,243
Realised gains on bonds	-	4,088,768
Realised gains on forward contracts	49,333,170	12,928,534
Realised losses on bonds	-	(3,959,587)
Realised losses on forward contracts	(48,752,381)	(46,722,560)
Total realised result	**2,666,430**	**(32,142,602)**
Net unrealised result on financial assets and liabilities at fair value through profit or loss		
Unrealised gains on investment funds	28,728,793	42,847,127
Unrealised gains on bonds	532,443	785,661
Unrealised gains on forward contracts	681,427	2,902,736
Unrealised losses on investment funds	(23,286,713)	(3,577,757)
Unrealised losses on bonds	-	(457,367)
Total unrealised result	**6,655,950**	**42,500,400**
Total revaluation of investments	**9,322,380**	**10,357,798**

10. Foreign currency translation

Realised and unrealised exchange differences consist of realised and unrealised translation gains (losses) on assets and liabilities other than financial instruments at fair value through profit or loss and amount to a loss of EUR 5,119,140 (2021: a gain of EUR 4,105,460).

11. Other income

(all amounts in EUR)	2022	2021
Other income	427,726	1,098,671
Total other income	**427,726**	**1,098,671**

Other income in 2022 consists of received dividend tax reclaims of US and Irish dividend tax.

12. Management fee

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

The management fee for the year amounts to EUR 2,141,509 (2021: EUR 1,778,717). The Fund Manager has entered into a delegation agreement with ABN AMRO Investment Solutions (AAIS). Certain portfolio management responsibilities have been delegated to AAIS. A certain part of the management fee is paid to AAIS for their work.

13. Administration fees

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

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

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

14. Custody expenses

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

15. Depositary fees

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

16. Legal Owner fees

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

17. Interest expenses

The interest expenses of EUR 79,213 have seen a fall compared to previous year EUR 142,774 due to the rise of the interest rate during 2022. The interest expenses concern the interest on the broker accounts of ABN Clearing N.V. and ABN AMRO Bank N.V. which had a negative interest rate until August 2022. From September 2022 a positive interest rate was applicable.

18. Audit fees

The Fund has appointed Ernst & Young Accountants LLP as the independent auditor of the Fund. The Independent Auditor’s remuneration for the audit of the annual report amounts to EUR 23,729 (2021: EUR 24,369). The Independent Auditor does not provide any other audit or non-audit services to the Fund.

19. Related parties

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

All services rendered by the Fund from the Fund Manager therefore qualify as related party transactions. During the year, the Fund paid management fees of EUR 2,126,154 (2021: EUR 1,739,379) to the Fund Manager.

The Privium Sustainable Impact Fund maintains an investment in Class A of FMO Privium Impact Fund. The value of the investment as per 31 December 2022 amounts to EUR 91,766,628 (2021: EUR 77,913,468).

20. Income and withholding tax

The Fund qualifies as a non-transparent or “opaque” fund for Dutch tax purposes, since Participations can be transferred to persons other than (i) the Fund itself and (ii) relatives connected by blood or affinity in the direct line of a Participant without the requirement to obtain (implicit) approval from all Participants. Consequently, pursuant to article 2(2) CITA the Fund qualifies as an ‘open’ fund for joint account and therefore a taxable entity. In principle, this would imply that the Fund is subject to the standard Dutch corporate income tax regime. However, pursuant to article 28 CITA, provided certain criteria are met, an investment fund (beleggingsfonds) is eligible for the status of a fiscal investment institution (fiscale beleggingsinstelling). The Fund has this status. During the year the average withholding tax rate incurred by the Fund was 1.31% (2021: 1.76%).

Other notes

Risk management
An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund will achieve its Fund Objective or that Investee Funds' investment policy and the Investee Companies' activities will be successful. The value of the Fund's investments and the Participations may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments. Accordingly, Participants may lose all or part of their investment in the Fund. An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in the Fund. Due to the Investment Strategy, the Net Asset Value of Fund Assets can strongly fluctuate. Potential participants should consider, among others, the non-exhaustive list of risks mentioned below, review the Prospectus and its ancillary documents carefully and in their entirety, consult with their professional advisors and conduct and subsequently rely upon their own investigation of risk factors associated with the proposed investment. Participants should realize that the existence and occurrence of certain risks may contribute to the existence and occurrence of other risks.

Market risk
Markets may rise and fall and the prices of financial instruments and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results.

As of 31 December 2022, the sector allocations of the Fund were as follows:

(in %)	**2022**	**2021**
Financial Inclusion	64.2	63.4
Renewable energy investments	29.5	31.4
Education related investments	1.9	3.2
Cash balances	4.4	2.0
Total	**100.0**	**100.0**

The total market risk that the Fund bears at 31 December 2022 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 684,817,820 (2021: EUR 645,504,030). If the prices had risen/fallen by 5%, the total financial assets and liabilities at fair value through profit or loss would have increased/decreased by EUR 34,240,891 (2021: EUR 32,275,202).

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

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

The currency exposure of the Fund at 31 December 2022 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)			2022	
	Gross fair value	Swaps	Net fair value	% NAV
Pound sterling	286,834,072	(285,800,000)	1,034,072	0.14
US dollars	196,698,352	(196,100,000)	598,352	0.08
Australian dollars	547	-	547	0.00
Singapore dollars	3,604	-	3,604	0.00
Hong Kong dollars	123	-	123	0.00
Total			**1,636,698**	**0.22**

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

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

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

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

Credit risk
The Fund could lose money if the issuer of an underlying fixed income security or money market instrument, the counterparty or clearing house of a derivatives contract or repurchase agreement, a Custodian at which a deposit or other assets are held, or the counterparty in a securities lending agreement does not honor his obligations. Issuers of fixed income instruments and other counterparties are subject to varying degrees of credit risks which are reflected in their credit ratings. The Fund's investment restrictions have been designed to limit the credit risk to any counterparty but this offers no guarantee that a credit event will not occur. The Fund is also exposed to credit risk on its cash which are held at ABN AMRO Bank N.V. The Standard & Poor's credit rating for ABN AMRO Bank N.V. is A (2021: A).

The Fund’s maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations at 31 December 2022 and 2021 in relation to the assets, is the carrying amount of EUR 43,191,232 (2021: EUR 37,432,484) as indicated in the statement of financial position.

Custody risk
The Fund's assets are held at ABN AMRO Clearing Bank N.V. All long positions and regular cash accounts are segregated and therefore their counterparty risk should be negligible. To manage the counterparty risk the credit rating of the custodian is monitored. The Standard & Poor's credit rating for ABN AMRO Clearing Bank N.V. is A (2021: A).

Liquidity risk
Some of the Fund Assets may be invested assets which are illiquid or may become illiquid under certain market conditions. Accordingly, it may not always be possible to purchase or sell those assets for their expected value or, if applicable, the prices quoted on the various exchanges. The Fund's ability to respond to market movements may be impaired and the Fund may experience severe adverse price movements upon liquidation of its Fund Assets.

Sustainability risk
Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. Sustainability risk in the context of the Fund is defined as the risk of a decrease in the value of an investment of the Fund due to an environmental, social or governance (ESG) related event. Such an event may have a direct negative impact on the financials of a portfolio company or a longer-term impact on the operations or earnings capacity of the portfolio company.

The Fund Manager does consider the effects of material sustainability risks on the value of the Fund’s investments. Since the Fund does not promote environmental and/or social characteristics, nor has sustainable investment as its objective, it is not required to consider the principal adverse impacts of its investment decisions.

The sustainability risk 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 scope of the Fund’s investment policy, it is not possible to pre-define which sustainability risks will likely be material. Additionally, the estimated sensitivity of the Fund to specific sustainability risks will depend on the sector diversification. The broader the diversification across economic sectors, the lower the sensitivity.

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

21. Ongoing charges figure (OCF)

(all amounts in EUR)	**2022**	**2021**
Average net asset value	713,475,355	592,417,328
Total ongoing expenses	2,887,453	2,328,846
Ongoing charges figure	**0.405%**	**0.393%**
Ongoing charges figure underlying investment funds	**0.496%**	**0.509%**
Total ongoing charges figure	**0.901%**	**0.902%**

The prospectus states that the total ongoing charges figure (excluding transactions costs, interest costs, and performance fees and assuming a net asset value of EUR 700,000,000) will be 0.39%.

Comparison of 2022 expenses with the prospectus

(all amounts in EUR)	**Expenses**	**OCF**	**Prospectus**
Management fee	2,141,509	0.300%	0.300%
Custody expenses	219,058	0.031%	0.030%
Administration	230,579	0.032%	0.030%
Depositary and legal owner	127,256	0.018%	0.010%
Audit & reporting fees	30,695	0.004%	0.010%
Other expenses	138,356	0.020%	0.010%
Total	**2,887,453**	**0.405%**	**0.390%**

Comparison of 2021 expenses with the prospectus

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

22. Turnover ratio (TOR)

The turnover ratio for the Fund over the period 1 January 2022 until 31 December 2022 is 14 (2021: 32)

23. Core business and outsourcing

The following key task have been outsourced by the Fund:

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

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

24. Events after balance sheet date

The Russian invasion in Ukraine continues to cause uncertainty. The Fund has no direct or indirect exposure to Russia and very limited indirect exposure to Ukraine or Belarus. On behalf of the Fund Manager, the Administrator of the Fund carries out ongoing sanctions screening on the investors of the Fund. Here, no hits have been identified. Further escalation of the conflict is expected to dampen global growth, especially in Europe. This might have an impact on the performance of the Fund. No other material events occurred after the balance sheet date that could influence the transparency of the financial statements.

25. Personnel

The Fund did not employ personnel during the year (2021: nil).

26. Appropriation of the result

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

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

Amsterdam, 6 June 2023

Fund Manager
Privium Fund Management B.V.

Other information

Personal holdings of the Fund Manager

The Board of Directors of the AIFM had no interests or position at 1 January 2022 and 31 December 2022 in investments the Fund held in portfolio at these dates.

Independent Auditor's report

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

Appendix I – Portfolio of the Fund

	Nominal/Quantity	Market value
Bonds		
ARGENTUM CAPITAL SA Dec 29 Floating - XS1261183500@CSSS	15,000,000	1,900,500
ARGENTUM CAPITAL SA May 31 Floating - XS1794373255@CSSS	15,000,000	5,410,500
ARGENTUM CAPITAL SA Nov 28 Floating - XS1549447297@CSSS	400,000	84,280
ARGENTUM CAPITAL SA Aug 27 Floating - XS1234887682@CSSS	7,975,000	188,480
ARGENTUM CAPITAL SA Feb 38 0% Floating - XS2177691834@CSSS	15,610,000	5,614,061
ARGENTUM CAPITAL SA Oct 29 Floating - XS1261178096@CSSS	3,570,000	356,833
Total Bonds		**13,554,654**
Investment Funds		
BLUEFIELD SOLAR INCOME FUND - BSIF LSE	12,044,523	18,510,022
FORESIGHT SOLAR FUND PLC - FSFL LSE	22,162,232	29,751,467
GREENCOAT UK WIND PLC - UKW LSE	22,459,767	38,576,896
JOHN LAING ENVIRONMENTAL ASS - JLEN LSE	14,438,832	19,579,056
NEXTENERGY SOLAR FUND LTD - NESF LSE	21,236,546	26,684,994
GREENCOAT RENEWABLES PLC - GRP ISX	21,334,860	24,215,066
AQUILA ENERGY EFFICIENCY TRU - AEET LSE	6,000,000	4,813,800
DOWNING RENEWABLES & INFRAST - DORE LSE	6,819,819	8,746,759
FORESIGHT SUSTAINABLE FOREST - FSF LSE	7,896,299	9,435,880
HYDROGENONE CAPITAL GROWTH P - HGEN LSE	6,040,000	5,412,384
OCTOPUS RENEWABLES INFRASTRU - ORIT LSE	9,411,702	10,635,223
RENEWABLES INFRASTRUCTURE GR - TRIG LSE	25,514,220	37,480,389
SCHRODER BSC SOCIAL IMPACT T - SBSI LSE	4,000,000	4,181,000
SDCL ENERGY EFFICIENCY INCOM - SEIT LSE	14,205,017	15,489,861
TRIPLE POINT ENERGY EFFICIEN - TEEC LSE	5,875,000	5,294,403
VH GLOBAL SUSTAINABLE ENERGY - GSEO LSE	11,236,363	12,824,061
ABN AMRO Symbiotics Emerging Markets Impact Debt	766,984	75,415,870
ECOFIN US RENEWABLES INFRAST - RNEW LSE	7,000,000	5,443,718
THOMASLLOYD ENERGY IMPACT TR (EO) - TLEPUSD EO	6,800,000	7,146,193
AQUILA EUROPEAN RENEWABLES I - AERI LSE	14,628,800	13,495,068
BLUEORCHARD MICROFIN DEBT-EI - ORCHIEU LUX	6,176	74,961,851
TRIODOS SICAV II-MICR-IIICAP - TMFFIII LUX	2,819,365	83,227,665
GORE STREET ENERGY STORAGE F - GSF LSE	10,947,263	13,731,152
GRESHAM HOUSE ENRG STRG FUND - GRID LSE	12,533,130	22,872,336
FMO PRIVIUM IMPACT FUND-AUSD - FPIFAUA NA	795,730	91,766,628
US SOLAR FUND PLC - USF LSE	12,130,000	9,529,500
Total Investment Funds		**669,221,242**

Appendix II – Annex 5 disclosure SFDR

ANNEX V

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

Product name: Privium Sustainable Impact Fund **Legal entity identifier:** 7245005GW2KB8L5LCM75

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

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

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective: 47.6%**	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective: 48.0%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

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

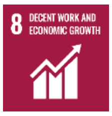
PSIF has a multi-thematic approach, meaning an investment is categorized under a main ESG theme. The ESG themes currently being targeted are: Social Objectives - Financial Inclusion, Education and Social Impact; Environmental Objectives-Renewable Energy and Natural Capital.

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

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

How did the sustainability indicators perform?

The below table provides the overview as of December 31, 2022

Financial Inclusion (covering investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
	Increase gender equality and empower women and girls by facilitating access to finance for women	50% loans to women (based on the Invested Capital of the Fund)
	Increase sustained, inclusive and sustainable economic growth, full and productive employment and decent work	139,444 entrepreneurs financed (based on the Invested Capital of the Fund).
	Reduce the development gap between urban and rural communities in developing economies by increasing the number of loans to borrowers in rural areas	39% loans to borrowers in rural areas (based on the Invested Capital of the Fund)
Education (covering investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities by providing loans to underprivileged students with access to education. Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease. Any Increase will depend on development of new investment structures.	661 loans being provided to students (based on the Invested Capital of the Fund)
	Reduce inequality within and among countries by increasing the number of students from developing economies that gaining access to education. Due to the fact that the related investment structure will mature over time as the loans will be paid off, the number of loans will decrease. Any Increase will depend on development of new investment structures.	79 % of loans being provided to students from non-high-income countries (based on the Invested Capital of the Fund)
Renewable Energy (covering investments with an environmental objective)		
SDG	Target	Key Performance Indicator (KPI)

7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy by increasing the share of renewable energy in the global energy mix	366,360 MWh (megawatt-hour) renewable energy generated or stored (based on the Invested Capital of the Fund)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation by increasing the construction of renewable energy capacity and related infrastructure	250 MW (megawatt) renewable energy generation or storage capacity installed (based on the Invested Capital of the Fund)
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts by avoiding CO^2 emissions from fossil fuel by investing in renewable energy and CO^2-saving projects	178,253 tCO^2 emissions avoided (based on the Invested Capital of the Fund)
Natural Capital (covering investments with an environmental objective)		
SDG	Target	Key Performance Indicator (KPI)
6 CLEAN WATER AND SANITATION	Ensure sustainable management of water and sanitation by responsibly managing waterways in invested natural capital projects.	13 Kilometres of sustainably managed watercourses. (based on the Invested Capital of the Fund)
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts by avoiding CO^2 emissions by investing in natural capital projects	Portfolio sequestration of 1,326 tonnes CO^2e / annum. (based on the Invested Capital of the Fund)
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss by investing natural capital projects	442 hectares of sustainably managed land area (based on the Invested Capital of the Fund)
Social Impact (covering investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
10 REDUCED INEQUALITIES	Reduce inequalities on a local level by providing disadvantaged people with essential services[1]	6,963 people provided with essential services (based on the Invested Capital of the Fund)

11 Sustainable cities and communities	Make cities and settlements inclusive, safe, resilient and sustainable by providing safe, affordable housing and basic services to disadvantaged people[1].	891 disadvantaged people provided with affordable, quality homes (based on the Invested Capital of the Fund)

[1] As the quantitative value of social impact may be challenging to measure specifically, the underlying fund is not yet able to allocate the impact made by its investee projects directly to the value of its investment. Therefore, the auditable full impact result of the projects rather than the estimated proportional impact generated by the underlying fund's investment into the projects is currently shown in their reporting. As with the other impact KPI's, this number is allocated proportionally to PSIF's holding in the underlying fund.

The information mentioned in the table above covers the most current reporting from underlying funds per December 31, 2022 (2021). Where the reporting date of a fund deviates from the January 1 to December 31 reporting period, the most recent data is used. This may include unaudited data from the underlying investments and some investments haven't reported yet because their KPI reporting is still in development since these are newly launched funds. Unless otherwise stated, impact results refer to the Fund's actual interest in the underlying funds.

...and compared to previous periods?

Impact indicators per theme over the yar 2021. Note that the number of impact themes and sustainability indicators have been expanded for the year 2022.

The below table provides the overview as of December 31, 2021

Financial Inclusion (covering investments with a social objective)		Education (covering investments with a social objective)		Renewable Energy (covering investments with an environmental objective)	
SDG	KPI	SDG	KPI	SDG	KPI
5 Gender equality	68% loans to women	4 Quality education	1008 loans to students	7 Affordable and clean energy	278,899 MWh renewable energy generated or stored
8 Decent work and economic growth	126,633 entrepreneurs financed	10 Reduced inequalities	96% of loans to students from non-high-income countries	9 Industry, innovation and infrastructure	246 MW renewable energy generation or storage capacity installed
10 Reduced inequalities	56% loans to borrowers in rural areas			13 Climate action	125,732 tCO2[2] emissions avoided

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

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

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

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

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

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

	Principal adverse indicator	***Renewable energy and natural capital funds***	***Financial inclusion funds***	***Social impact funds***	***Education notes***
	Investee companies / assets/ projects				
GHG emissions	*1. GHG Emissions*	Exclusion: Non-taxonomy aligned fossil fuel energy generating assets. Positive screening: Share of renewable energy, energy efficiency and energy storage assets and other climate mitigation assets.	For Financial inclusion, where main aim is to reduce poverty, GHG emissions become of second-hand order. Nevertheless, some minimum safeguards need to be in place. Exclude: Non-taxonomy aligned fossil fuel generating assets. Quality Investigation: does the fund consider CO2/GHG emissions related to e.g. agricultural lending or small & mid-size enterprises lending?	Same as for Financial inclusion funds.	Not applicable: Education notes is about financing students' education, therefore deemed not to have any significant adverse impact on environment.
	2. Carbon footprint	Quality Investigation: Does the fund consider end-of-life in the investment process?			
	3. GHG intensity of investee companies	This is indirectly considered through CO^2 avoided.			
	4. Exposure to companies active in the fossil fuel sector	Exclusion: Non-taxonomy aligned fossil fuel energy generating assets.			
	5. Share of non-renewable energy	Exclusion: Non-taxonomy aligned fossil fuel			

	consumption and production	energy generating assets.			
	6. Energy consumption intensity per high impact climate sector	Usually not applicable, as focus is on climate mitigating investments.			
Biodiversity	*7. Activities negatively affecting biodiversity-sensitive areas*	Quality investigation: biodiversity and waste. Is biodiversity assessed and/or verified by a third party.	Financial inclusion funds invest in financial institutions, which in turn may lend to activities which impact biodiversity and waste, such as agriculture. Quality investigation: Does the fund consider biodiversity, water and waste?	Same as for renewable energy funds.	Same as above.
Water	*8. Emissions to water*	Quality investigation: if applicable, does the fund include it in operations and can measure it.		Same as for renewable energy funds.	
Waste	*9. Hazardous waste ratio*	Quality investigation: Does the fund consider end-of-life in the investment process?		Same as for renewable energy funds.	
Social and employee matters	*10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises*	Exclude: Non-UNPRI signatories Quality investigation: does the fund follow the OECD guidelines?	By nature, Financial Inclusion funds focus on lending to women ratio, urban/rural ratio and job creation in a fair manner. Exclude: Non-UNPRI signatories	Same as for renewable energy funds.	Student loans aim to lend to students without any other financing options. Therefore, it is deemed there will be no violations to these principles.
Social and employee matters	*11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for*	Exclude: Non-UNPRI signatories Quality investigation: does the fund follow the OECD guidelines?	By nature, Financial Inclusion funds focus on lending to women ratio, urban/rural ratio and job creation in a fair manner. Exclude:	Same as for renewable energy funds.	Same as above.

	Multinational Enterprises		Non-UNPRI signatories		
	12. Unadjusted gender pay gap	Usually funds invest directly into an infrastructure asset. Gender pay gap is potentially relevant for the operations and maintenance contractor, but usually not for the fund. Engage when relevant.	Could be relevant when the financial inclusion fund is assessing the target lending institution. In principle, these are of secondary order to the aim to reduce poverty and create more jobs. However, poverty reduction and job creation should come at no significant adverse impact on diversity. Therefore, PSIF requires funds to address these aspects into their investment process. Quality investigation: does the fund assess and incorporate gender pay gap and diversity into investment decisions?	Social impact funds can invest in a diverse set of projects from social housing (real estate) to social outcome contracts. Many social impact investments aim to support equality in society and help the exposed and in need (such as temporary housing for abused women). As a principle, the investments should not have any significant adverse impact on (gender) equality, where pay gap could be one of the aspects where relevant. Therefore, PSIF requires funds to have policies in place to address these	Not applicable - While gender is an important factor, pay gap is not relevant for single students.

				aspects into their investment process. Quality investigation: does the fund assess and incorporate gender pay gap and diversity into investment decisions?	
	13. Board gender diversity	Same as above.	Same as above.	Same as above.	Same as above.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Exclusion: Controversial weapons	Exclusion: Controversial weapons	Same as financial inclusion.	Same as above.
	Supranationals				
	15. GHG intensity	Not applicable. Potential instruments issued by supranationals expected to be used only for efficient portfolio management purposes.	Not applicable. Potential instruments issued by supranationals expected to be used only for efficient portfolio management purposes.	Not applicable: Social impact funds may invest alongside governments or supranationals, or into government initiated projects, but do in principle not invest directly into instruments issued by supranationals except for cash management and efficient	Not applicable.

				portfolio management purposes.	
	16. Investee countries subject to social violations	Same as above.	Same as above.	Same as above.	Not applicable.
	Real estate assets				
	17. Exposure to fossil fuels through real estate assets	Not applicable, as real estate is out of investment scope for the funds.	Not applicable, as real estate is out of investment scope for the funds.	While primary aim of e.g. social housing is to provide housing to disadvantaged people it is nevertheless an investment in real estate assets. Quality investigation: does the fund consider measures for sustainable housing where possible?	Not applicable.
	18. Exposure to energy-inefficient real estate assets	Same as above.	Same as above.	Same as above.	Not applicable.
	Optional				
	Investments in companies without carbon emission reduction initiatives	Quality Investigation: Is the investment manager TCFD signatory? Is the fund aligned with a net zero path?	Quality investigation: Are the fund holdings aligned with a net zero path?	Same as Financial Inclusion.	Same as Financial Inclusion.
	Excessive CEO pay ratio	Quality investigation: reporting on fair pay?	Same as Renewables	Same as Renewables	Same as Renewables

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: January 1, 2022 – December 31, 2022

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

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

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

The investments of the Fund may have a principal adverse impact on sustainability factors as defined in Regulation (EU) 2019/2088. Therefore, the Fund will consider these and start reporting on the principal adverse impacts (“PAI”) and any actions taken to mitigate them per 2023 in the Fund’s PAI statement. The Fund aims to report on all mandatory principal adverse impacts as outlined in the Regulation. However, the completeness of the Fund’s reporting will depend in part on the reporting of its underlying investments. In its reporting, the Fund will indicate any missing or incomplete indicators and its efforts to towards collecing them.

What were the top investments of this financial product?

As PSIF is a Fund of funds, the countries that the investments below are active in may differ from the country they are registered in.

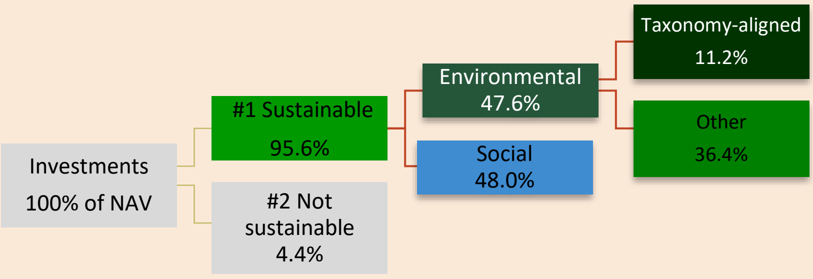
Largest investments	Sector	% Assets	Country
FMO Privium Impact Fund	***Financial Inclusion***	***12.9%***	***Netherlands***
Triodos Microfinance Fund	***Financial Inclusion***	***11.6%***	***Luxembourg***
BlueOrchard Microfinance Fund	***Financial Inclusion***	***10.4%***	***Luxembourg***
ABN AMRO Symbiotics EM Impact Debt	***Financial Inclusion***	***10.4%***	***Luxembourg***
The Renewables Infrastructure Group	***Renewable Energy***	***5.7%***	***England***
Greencoat UK Wind	***Renewable Energy***	***5.7%***	***England***
Foresight Solar Fund	***Renewable Energy***	***4.1%***	***England***
NextEnergy Solar Fund	***Renewable Energy***	***3.7%***	***England***
Greencoat Renewables	***Renewable Energy***	***3.3%***	***Ireland***
Gresham House Energy Storage Fund	***Renewable Energy***	***3.2%***	***England***
John Laing Environmental Assets Group	***Renewable Energy***	***2.8%***	***England***
Bluefield Solar Income Fund	***Renewable Energy***	***2.6%***	***England***
Higher Education Notes	***Education***	***2.4%***	***Luxembourg***
Sdcl Energy Efficiency Income Trust	***Renewable Energy***	***2.3%***	***England***
Gore Street Energy Storage Fund	***Renewable Energy***	***2.0%***	***England***

What was the proportion of sustainability-related investments?

Of its assets not needed for cash and portfolio management activities (FX hedging) during the year 2022, 100% of the Fund’s invested capital was used to meet the sustainable investment objective. Of the Fund’s total NAV, 95.6% was allocated to sustainable investments. The remaining 4.4% being cash and assets regarding portfolio management activities (FX hedging).

Asset allocation describes the share of investments in specific assets.

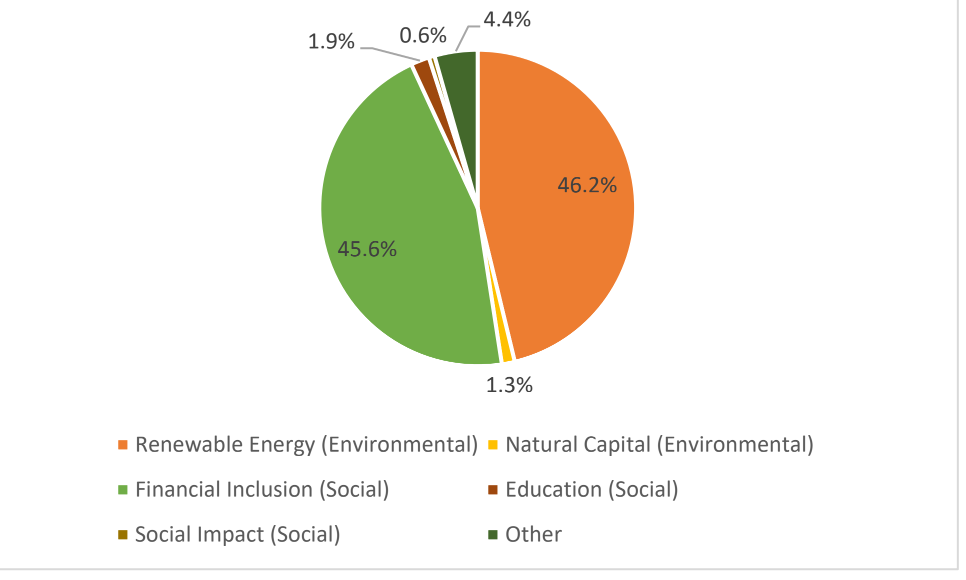
What was the asset allocation?



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?



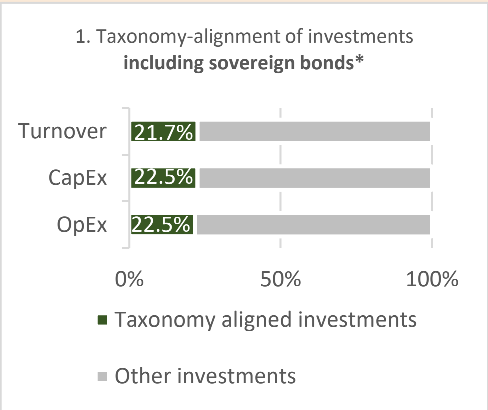
To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

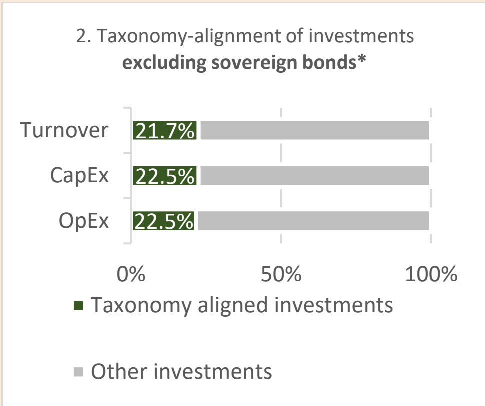
Of the Fund’s underlying investments with an environmental objective 22.5% was aligned with the EU taxonomy as reported in the underlying fund’s SFDR reporting. This equates to 11.2% of the total Net Asset Value.Most of the investee funds are still in the process of calculating their alignment. Therefore, more complete reporting is expected in future disclosures.

Taxonomy-aligned activities are expressed as a share of:

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

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





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

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

Based on the reporting of underlying investments with an environmental objective, 1% of the investments were made in enabling activities and 0% in transitional activities.

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

The is the Fund's inaugural reporting, no previous period available.

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

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

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

Based on the reporting of underlying investments with an environmental objective, 77.5% was not aligned with the EU Taxonomy. Most of the investee funds are still in the process of calculating their alignment. Therefore, more complete reporting is expected in future disclosures.

What was the share of socially sustainable investments?

50.3% of the Fund's investments was socially sustainable. Of the Fund's total NAV per December 31, 2022 that was 48.0%.

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

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

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

• Engaging of the fund managers during our regular meetings. The funds report quarterly for their investors and if needed we engaged with management. Notable topics were: 1) new assets and pipeline. 2) changes to investment policies. 3) achieved and expected impact. 4) quality of impact reporting.

• (Proxy) Voting. For the UK listed funds we voted on EGMs and AGMs on different topices like investment policy changes, appointment of board member, etc. Most EGM and AGM topics were related to good governance.

• Educating the sector. In engaging with fund managers and brokers provide information about best practices in impact reporting and measurement, SFDR alignment, PAI reporting and need for more sustainable impact alternatives. Also actively participate in IPOs of new strategies/funds if they pass our manager due diligence.

• Updated ESG DDQ for renewables and reviewed all holdings based on that, mainly strengthening the governance DD but also deeper taxonomy and net zero alignment.

• Updated ESG policy and formalised engagement and exit framework. The policy now fully incorporates SFDR and dheres to all SFDR article 9 fund requirements. The fund has 5 ESG themes which aim to contributes to 10 SDG goals in total.

• Besides our questionnaire and ESG policy also other fund documents and policies haven been adjusted for (new) SFDR requirements. These new and updated documents are published on the funds website www.psif.nl.

Independent auditor's report

To: the shareholders and the directors of Privium Fund Management B.V. as fund manager of Privium Sustainable Impact Fund

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2022 of Privium Sustainable Impact Fund based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Privium Sustainable Impact Fund as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2022
- The profit and loss account for 2022
- 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 Privium Sustainable Impact Fund in accordance with the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

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

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

Our responsibility

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

Our audit response related to fraud risks

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

We refer to other notes section "Risk management" of the annual report for management's risk assessment.

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

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in ''accounting policies'' the notes of the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

These risks did however not require significant auditor's attention during our audit.

We considered available information and made enquiries of relevant executives, directors, and the management board.

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

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

We remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section ''Basis of accounting'' in ''Accounting policies'' section of the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the fund's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. Based on our procedures performed, we did not identify material uncertainties about 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 the fund to cease to continue as a going concern.

Report on other information included in the annual report

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

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

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

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

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 regarding the financial statements

Responsibilities of management for the financial statements

Management 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, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The ''Information in support of our opinion'' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and Performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

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

Amsterdam, 6 June 2023

Ernst & Young Accountants LLP

signed by R.A.J.H. Vossen