

ANNUAL REPORT

Privium Sustainable Impact Fund

Year ended 31 December 2023

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General information

Registered office

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Gustav Mahlerplein 3
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The Netherlands

Fund Manager

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Legal Owner

Stichting Juridisch Eigendom Privium
Sustainable Impact Fund
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Delegate/Investment Advisor

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France

Administrator

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The Netherlands

Legal and Tax Counsel

Van Campen Liem
J.J. Viottastraat 52
1071 JT Amsterdam
The Netherlands

Custodian

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1082 PP Amsterdam
The Netherlands

Depository

APEX Depository Services B.V.
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The Netherlands

Independent Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
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The Netherlands

Key figures

(all amounts in EUR x 1,000)	2023	2022	2021	2020	2019
Total for the Fund					
Net Asset Value at 31 December	663,736	714,230	653,978	500,998	377,064
Result from investments	20,892	19,232	16,388	9,931	6,263
Changes in value	(58,463)	9,322	10,358	(23,764)	15,946
Other results	7,786	(4,895)	5,209	3,758	2,374
Costs	(3,145)	(3,179)	(3,032)	(2,381)	(1,839)
Net result for the year	(32,930)	20,480	28,923	(12,456)	22,744
Outstanding participations at 31 December	6,112,900	6,266,099	5,908,452	4,641,932	3,385,660
Per participation¹ (in EUR x 1)					
Net Asset Value at 31 December	108.58	113.98	110.69	107.93	111.37
Result from investments	3.38	3.08	2.77	2.14	1.85
Changes in value	(9.45)	1.49	1.75	(5.12)	4.71
Other results	1.26	(0.75)	0.88	0.81	0.70
Costs	(0.51)	(0.55)	(0.51)	(0.51)	(0.54)
Net result	(5.32)	3.27	4.90	(2.68)	6.72

Dividend payment

During the year 2023, a gross dividend amount of EUR 744,999 (2022: EUR nil) 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 2023 return lower 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 1-month yield index + 2% and this index yielded +5.2% in 2023. PSIF's return in 2023 was -4.6%. This underperformance was a result of the listed renewable funds significantly falling in price and trading at record discounts to their Net Asset Values (NAVs). Financial inclusion funds continued to perform well and benefitted from rising interest rates.

Renewables funds – trading at historically wide discounts

From a fundamental, NAV point of view, the renewable funds in PSIF fell 5% on average. The NAVs are calculated after the renewable funds' dividends are paid, which on average yielded around 6-7%. Rising interest rates have increased the discount rate used to value the cashflows from the fund's portfolio of solar, hydro, wind, and storage projects. Therefore, rising interest rates pushed the value of the renewable assets downward. This has mostly been offset by rising inflation, as many of the assets' revenue streams have a contractual inflation compensation built in. Power prices have come down from the extremes in 2022, but because the funds tend to sell some to most of their power production multiple years forward, they use more stable forward-looking price forecasts in their valuations and the downward revisions are not as extreme as the short-term market movements.

However, the share price of the renewable funds fell on average by -18%. The share price discount to NAV widened from 6% at the beginning of the year to 19%, after touching a historical low of 28%. As United Kingdom (UK) interest rates shot up, the predictable, high dividend renewable infrastructure funds became less attractive.

The funds have not been able to raise new capital on equity markets since late 2022 when they started to trade at discount. Fund prospectuses usually prohibits funds to issue new shares below NAV to protect existing shareholders from dilution.

Share buybacks and dividends as show of strength

As a sign of strength and to support the share price, more funds chose to buy back shares at discount. Schroder BSC Social Impact started a buyback programme in January 2024. The Aquila European Renewables Fund announced a € 20 million share buyback programme in February 2024 which continued for a couple of months. Downing Renewables commenced buybacks in March 2024. SDCL Energy Efficiency embarked on a GBP 20 million share buyback program as they believed the share price did not accurately reflect the value of the company's investments. The biggest fund, Greencoat UK Wind, launched a programme of GBP 100 million in October.

Most funds also raised their dividends in line with inflation or higher. Despite this, the share prices did not materially recover. By the end of the year, many funds were offering a dividend yield of 9-10%.

Capital scarcity requires different approach

It is important not only from a financial but also from an impact perspective that the funds continue to grow and expand their positive impacts. As the equity capital market was closed for the funds, their pipeline projects had to be financed in other ways. Funds continued to invest and expand from their recurring cash generation from operations as well as credit lines ready to tap into. Additionally, they also started selling assets to recycle capital into new attractive projects. A third approach was to find a partner who invests alongside on larger projects.

As an example, Gore Street Energy Storage (GSF) upsized its credit facility from GBP 15 million to GBP 50 million. Bluefield Solar Infrastructure Fund (BSIF) increased its revolving credit facility by GBP 110 million to May 2025.

On the capital recycling front, The Renewable Infrastructure Group (TRIG) sold three older wind farms for GBP 25 million to Statkraft. The selling price was a 26% premium to the end 2022 valuation. Octopus Renewables Infrastructure (ORIT) sold its Polish wind farm for GBP 92 million, a 21% premium to the September holding value.

Towards the end of the year, BSIF entered a long-term partnership with GLIL. They will jointly invest in BSIF's pipeline projects through a joint venture. GLIL manages GBP 3 billion of infrastructure assets for UK pension funds. It is expected that GLIL will provide most of the capital for the projects. GLIL has also provisionally agreed to buy a 50% stake in a portfolio of more than 100 MW of BSIF's existing operational assets at current valuations. This supports that NAV valuations are reasonable, while freeing up some cash to be recycled into new projects.

Investment activities continue as usual

Greencoat Renewables agreed to acquire 38.7% of Butendiek offshore windfarm. The windfarm was built in 2015 and was one of the biggest offshore projects in Europe, consisting of 80 turbines located 55km west of the German-Danish coast. With total capacity of 288MW, it produces enough to power ~370,000 homes. Greencoat UK Wind (UKW) invested GBP 444 million in the London Array offshore wind farm.

Foresight Solar Fund bought the rights to six development-stage solar farms in Spain with potential capacity of 467 MW, of which one farm is expected to reach ready-to-build status in 2024.

Downing Renewable Energy fund (DORE) bought two additional hydropower plants in Sweden of 2.5 GWh (gigawatt hours) and 6 GWh respectively, and the total hydropower production for the fund is now at 197 GWh per year. DORE also raised its dividend target to 7.6%. Separately, the fund reported NAV growth of 1.8% for Q4 2023.

DORE also bought a shunt reactor in Mersey, UK, for GBP 11 million. Shunt reactors are a new investment area in the grid supply chain and are used to increase the grid efficiency and manage high voltage levels. Stand-alone shunt reactors are expected to become more prominent as the share of wind and solar in the electricity mix of the country increases. The reactor has an initial fixed priced, inflation-linked, availability-based contract with the national grid until 2031 and adds a new long-term source of revenues.

Octopus Renewable Infrastructure Trust (ORIT) announced a GBP 5 million investment into HYRO Energy which is a developer of green hydrogen electrolysis projects in the UK.

SDCL Energy Efficiency (SEIT) acquired a loan portfolio financing LED lighting projects in the USA for USD 31 million. The underlying loans have remaining tenors of up to 13.5 years and are expected to deliver double digit returns.

Both HydrogenOne Capital Growth (HGEN) and John Laing Environmental Assets (JLEN) fund invested into green hydrogen project Tierbach in Germany, currently developed by HH2E. For JLEN this is a new area and is a continuation of its strategy to diversify over sectors and geographies. The project should be capable of producing around 6,000 tonnes of green hydrogen by 2025, with end goal of producing 60,000 tonnes p.a, which could displace up to 10 million tonnes CO2 during the project lifetime. The hydrogen is expected to be supplied to among others the chemical sector and commercial air and road transport operators, and ties into the German hydrogen strategy.

HGEN also announced that Cranfield Aerospace Solutions, which represents 8% of its assets, is in advanced talks to supply its hydrogen propulsion system to Dronamics, a cargo drone airline, from 2026. This comes as previous merger talks with Britten-Norman were paused back in September. Separately, HD Hyundai intends to make a strategic investment of EUR 45 million into the fuel cell manufacturer Elcogen (18% of HGEN assets), to further develop hydrogen based marine propulsion systems and stationary power generation.

Ecofin U.S Renewables (RNEW) faced headwinds from the tornado which hit Texas, an example of what investors call physical climate change risks. While there were some damages to the transmission poles, a bigger issue was that the sub-station through which the electricity is transmitted was severely damaged. Some, but not necessarily all the financial losses are expected to be recovered under contractual agreements and insurances. Consequently, combined with some unexpected maintenance on other solar assets, the fund has guided for lower cash flow and reduced dividend for the last six months.

In June 2023, Siemens Gamesa, one of the world's biggest wind turbine suppliers, announced that they are seeing higher failure rates on their newer onshore wind turbines. Funds with exposure to Siemens Gamesa turbines were quick to review their risks, and in general see limited or no financial risks as they have older turbine models or are covered by warranties.

Energy certificates a new income stream

A new trend towards the end of the year was the sharp price rise of renewable energy certificates. For every MWh of power produced from renewable origins such as wind, solar and biomass, a certificate is issued to the electricity producer. When electricity suppliers are selling renewable power to consumers, they do in turn need an equivalent number of certificates to back up their claims of clean power. In the UK, such certificates are called Renewable Energy Guarantees of Origin (REGOs), while the European and American equivalent are called Guarantees of Origin (GoOs) and Renewable Energy Certificate (REC) respectively.

These certificates used to be priced below GBP 1/MWh a few years ago and were non-material as an income source for renewable funds. In January 2023, the price was below GBP 5/MWh, but towards the end of the year reached historic highs of around GBP 25/MWh. As such, some renewable funds began to include certificates into their valuation. Although the certificates trade at extreme levels short term, funds use much more conservative forecasts which tend to be in the range of GBP 2-7/MWh.

RECs contributed to 2.6% of NAV in Q4 2023 for US Solar Fund (USF), while REGOs helped UKW by 2.9% in Q4 2023. GoOs mostly offset the effect of higher discounts rates for Aquila European Renewables (AERI) in Q3 2023.

Other fund activities

The shareholders of Aquila Energy Efficiency Trust (AEET) voted in this year's Annual General Meeting (AGM) to discontinue the fund and the portfolio is being managed consistently with the Continuation Managed Run-Off Resolution. The Board is exploring possibilities for selling the portfolio in a shorter period than would otherwise be achieved under the Managed Run-Off.

US Solar Fund (USF), which announced a strategic review already in 2022, appointed Amber Infrastructure Group as new investment manager as of December 1, 2023. The fund also widened its investment policies to be able to invest more in development assets.

ORIT announced its proposal to merge with the Aquila European Renewable Infrastructure fund to form a bigger fund where the Aquila assets would be complementary in terms of geography and technologies. The combined fund would have net assets of GBP 1 billion and is expected to improve the liquidity of its shares. While the way this announcement was made is unusual, in general we support such actions to create more stable and cost-efficient funds.

Triple Point Energy Transition (TENT) announced its proposal to wind down the fund by selling all assets and return capital to shareholders. This came as the fund had been trading at a significant discount for a prolonged period and not being able to grow as planned to reach the desired scale. TENT has already received an offer for one of its debt facilities for a battery energy storage system. The winding down will need to be approved at the next shareholder meeting. In the meantime, underlying assets are performing as expected.

Developments at Asia Energy Impact Trust, formally Thomas Lloyd Energy Impact Trust

Trading in the Thomas Lloyd Energy Impact Trust (TLEI) was suspended at the beginning of the year as the valuation of a 200 MW Indian solar development project became uncertain. Higher and unforeseen cost increases, such as the price of solar panels and new taxes, made the project worth much less than initially estimated. This was a serious blow to the credibility of the fund and created tensions between the fund's board of directors and the investment manager Thomas Lloyd. At the AGM, shareholders voted against the Continuation of the fund in its current form. After these meetings, the board of directors ended the Investment Management Agreement.

As the dispute approached its closing, the board appointed Octopus Energy Generation as the transitional investment manager and renamed the fund Asian Energy Impact (AEIT). Octopus is managing the portfolio until 30 April 2024 and is tasked to finish the construction of the 200MW India project. The fund's Q3 2023 Net Asset Value (NAV), which was calculated by Octopus, was almost 50% lower than a year ago. Octopus valued the Indian development solar projects and other investments much lower as compared to the former manager. With AEIT accounting for just one percent of PSIF before the first problems surfaced, financial impact was limited.

Energy storage funds' trading challenges

Energy storage funds faced headwinds. The UK battery operators have so far mostly been earning on grid stabilizing services, but as the number of batteries is increasing and prices for these services fell throughout the year, storage funds suffered.

To compensate for this, the funds started trading more electricity instead. The revenue from trading is a function not of the power prices itself, but rather the difference in prices during the day. As such, volatile power prices can benefit the funds, and should be a revenue stream diversifier from an investment point of view, while helping to balance the supply and demand of electricity. However, anticipated contribution from trading activities were absent throughout the year. The United Kingdom electricity grid operator was not able to use batteries to their full extent for grid purposes. These regulatory bottlenecks are expected to be solved during the next 12 months.

Gresham Energy Storage (GRID) suffered the most as it is UK focused. Gore Street Energy (GSF), which also has a footprint in Ireland, Texas, and Germany, fared better, including a new revenue record in Texas. The fund is currently benefiting well from geographical diversification. Meanwhile, the fund has also secured the remaining financing of their Big Rock project in California.

Toward the end of the year, GSF contracted with Nidec Motor Corporation for the construction of its 75MW battery storage facility in Texas. At the same time, the companies announced a strategic partnership where Nidec will buy GBP 15.8 million worth of GSF shares at NAV, in return having the right to participate in future GSF competitive contract bidding for the coming five years.

Natural capital – strong impact, weaker financial returns

Foresight Sustainable Forestry (FSFC) continued to deploy capital and the fund is now fully invested. Total portfolio covers 12,545 hectares, and afforestation properties is 45% of total portfolio value. 950,000 trees have been planted on the afforestation sites, bringing total number of trees planted since inception to 1.4 million. The fund also expects to be able to issue carbon credits based on afforestation projects in a few years, which also supports the valuation.

FSFC's portfolio sequestered in aggregate 35,081 tonnes of CO₂e in the financial year and has a significant planting programme planned for 2024 which will further increase sequestration.

Despite this, the fund NAV declined 9% in the last six months. The portfolio suffered from the weakening of the forestry investment market due to higher inflation and interest rates. The share price declined even more. The lower NAV was based on a limited number of market transactions of mostly forced sellers. We expect a price recovery when the market for forestry investments normalizes.

Portfolio activity

PSIF has been actively diversifying away from UK assets during the last few years. However, the market did not discriminate between UK vs non-UK assets. Rather, the stock market put a larger emphasis on larger liquid funds vs smaller illiquid funds. PSIF is oriented towards larger funds (funds above EUR 500 million), but nevertheless invests in the harder hit smaller funds for diversification of geographies, technologies, and impact.

As the fund prices fell, PSIF made some minor adjustments. GSEO and AERI were added in February. Both funds provide diversification as GSEO added a Brazilian Hydro Facility and Australian solar and energy storage projects to its portfolio.

Towards the end of March, PSIF added EUR 1.8 million to NextEnergy Solar Fund (NESF) at discount. The Fund has a high share of fixed revenue contracts, which was disadvantageous in 2022, but NESF has secured higher price contracts throughout the year.

One of the main questions is if NAV should converge down to the market price which is 20% lower, or if market prices should recover back to NAV. In support of the recover-to-NAV case is that funds have sold assets at or above book value this year and in 2024. In addition, there is an active private market for renewable assets where valuations are similar. We see the current sell-off to be exaggerated, but also do not see any immediate trigger for prices to converge back to NAV. One of the main triggers would be that interest rates fall back. Based on bond market prices, this is expected more towards the second half of 2024.

Financial inclusion

All financial inclusion funds gained during the year 2023, ranging between +2% and +6% in EUR terms (after hedging costs). While most funds made some provisions, they were mostly related to individual microfinance institutions and not systematic. Reversing food and energy prices are relieving pressure on economies, while the end of zero-Covid policies in China was also boosting economic activity in connected markets at the beginning of the year.

The performance of Triodos Microfinance fund (TMF), which also invests about 35% in equity, got a boost after the successful listing of one their Indian private equity holdings, the Utkarsh Small Finance Bank. TMF also sold an equity stake in another company above book value in November. The fund is reducing its equity exposure to get it back to historically normal levels.

FMO Privium Impact Fund performance was also helped by the release of Covid-19 provisions. Separately, it was announced that FMO Investment Management managing director Yvonne Bakkum left in October after 2 terms in the position. We do not see this as a concern at this stage and keep our conviction in the fund.

Most funds benefitted from the rising interest rates as they could lend money at higher rates. Loans are usually lent on a 3-year term at either fixed or variable rates. BlueOrchard Microfinance fund (BOMF), which predominantly lends at variable rate, and has an investment policy to hedge fixed rates back to variable rates, benefitted. At AA Symbiotics EM Impact Debt fund, which has a larger share of fixed loans, it will take longer time to fully benefit from rising interest rates as the effect is seen when loans are renewed.

Considering the bank turmoil in US and Europe at the beginning of the year, microfinance funds reviewed their vulnerabilities. For instance, two of the fintechs in AA Symbiotics EM Impact Debt fund had their cash at the troubled Silicon Valley Bank. These deposits were expected to be guaranteed and recouped. This highlights the importance of diversification in the asset class.

All impact reports show that the funds continue to generate impact. We also do not see any significant "mission drift". For example, in the TMF impact report we note that the average loan amount, which can indicate mission drift if it rises, fell to USD 1,875 from USD 2,210 the year before. TMF also reported its carbon footprint for the first time, including scope 3 emissions. All funds continue to have a strong focus on women.

Outlook – In transition

We believe that the investment environment is slowly turning more favourable for risky assets. The bond market had a more difficult start to the year, but the outlook for lower interest rates remains supportive. Market sentiment is, in general, positive, although doubts and uncertainties remain.

The US Federal Reserve and the European Central Bank are expected to begin cutting rates in 2024, but the timing is uncertain. It will depend on data related to inflation, unemployment and economic growth. We expect the first cuts will come in June, although market consensus is more optimistic, which could create disappointment and market volatility. In 2024, we expect economic growth in Europe to remain muted, while the US should see growth of around 2.1%, which is slightly higher than trend growth.

Compared to a year ago, we have a more growth-oriented, cyclical stance. But we are not yet "out of the woods." The global economy is expected to grow at a subdued pace in the near term, as high interest rates continue to bear down on demand in advanced economies. Global trade and industry are bottoming out, but no sharp rebound is expected while interest rate policies of central banks remain restrictive.

On the positive side, inflation has fallen significantly, and is now within touching distance of central bank targets. Geopolitical issues, however, such as the wars in Ukraine and the Middle East and disturbances in the Red Sea increase uncertainty. Further declines in inflation will enable central banks to pivot to rate cuts by mid-2024 and financial conditions are already easing in anticipation. But a tight monetary policy, which will linger through the rate cutting period, will put a lid on any recovery.

Also, for the year 2024 we anticipate to hedge direct foreign exchange exposures in full.

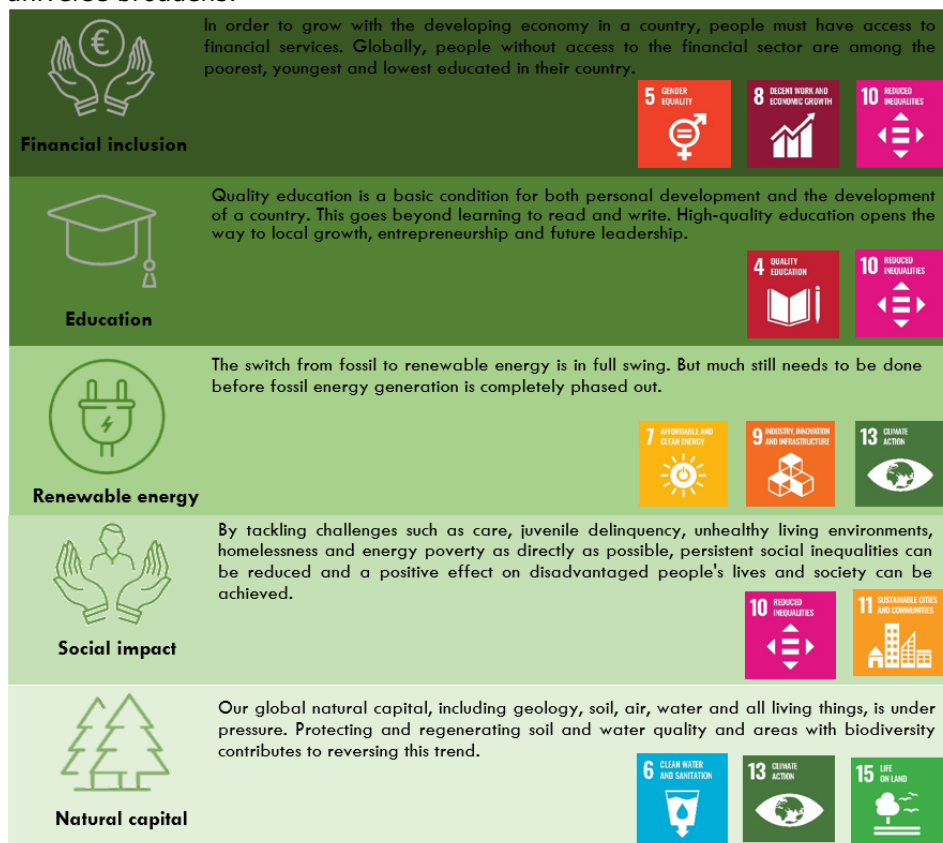
Sustainable investment objective

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.


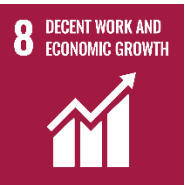

The objective of the Fund meets the sustainable investment definition of article 2 (17) of the Sustainable Finance Disclosure Regulation (SFDR):



"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
	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
 <p>4 QUALITY EDUCATION</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities by providing loans to underprivileged students with access to education.</p> <p>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.</p>	<p>The number of loans being provided to students (based on the Invested Capital of the Fund)</p>	<p>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.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduce inequality within and among countries by increasing the number of students from developing economies that gaining access to education.</p> <p>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.</p>	<p>The % of loans being provided to students from non-high-income countries (based on the Invested Capital of the Fund)</p>	<p>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.</p>

Renewable Energy (covering investments with an environmental objective)			
SDG	Target	Key Performance Indicator (KPI)	How is the impact being measured
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	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.
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	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.
 <p>13 CLIMATE ACTION</p>	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
	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.
	Take urgent action to combat climate change and its impacts by avoiding CO ² emissions by investing natural capital projects	Portfolio sequestration of tonnes of CO ² e / 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.
	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
	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.
	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.

Target allocation

PSIF aims to invest 100% of invested capital in:

- SFDR article 9 funds, and or
- Non-EU funds that make 100% sustainable investments based on proprietary analysis, and,
- 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.


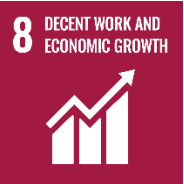



It can be assumed that the category 'other' will make up no more than 25% of the Fund's total Net Asset Value, meaning that a minimum of 75% of the Fund's NAV will be invested into sustainable investments.







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	96.3%
Other	3.7%

Results as of December 31, 2022 and December 31, 2023

SDG	Key Performance Indicator (KPI)	2022 and 2023
	The % loans to women (based on the Invested Capital of the Fund)	2022: 50% 2023: 69%
	The impact is being measured by the increased number of entrepreneurs financed (based on the Invested Capital of the Fund)	2022: 139,444 2023: 117,326
	The % loans to borrowers in rural areas (based on the Invested Capital of the Fund)	2022: 39% 2023: 56%
SDG	Key Performance Indicator (KPI)	2022 and 2023
	The number of loans being provided to students (based on the Invested Capital of the Fund)	2022: 661 2023: 462
	The % of loans being provided to students from non-high-income countries (based on the Invested Capital of the Fund)	2022: 79% 2023: 79%

SDG	Key Performance Indicator (KPI)	2022 and 2023
	The number of MWh (megawatt-hour) renewable energy generated or stored (based on the Invested Capital of the Fund)	2022: 366,360 MWh 2023: 441,793 MWh
	The number of MW (megawatt) renewable energy generation or storage capacity installed (based on the Invested Capital of the Fund)	2022: 250 MW 2023: 270 MW
	The number of tCO ₂ emissions avoided (based on the Invested Capital of the Fund)	2022: 178,253 2023: 198,895
SDG	Key Performance Indicator (KPI)	2022 and 2023
	Kilometres of sustainably managed watercourses (based on the Invested Capital of the Fund)	2022: 13 2023: 16
	Portfolio sequestration of tonnes of CO ₂ e / annum (based on the Invested Capital of the Fund)	2022: 1,326 2023: 1,610
	Number of hectares of sustainably managed land area (based on the Invested Capital of the Fund)	2022: 442 2023: 175

SDG	Key Performance Indicator (KPI)	2022 and 2023
	Number of people provided with essential services (based on the Invested Capital of the Fund) ¹	2022: 6,963 ¹ 2023: 12,472¹
	Number of disadvantaged people provided with affordable, quality homes (based on the Invested Capital of the Fund) ¹	2022: 891 ¹ 2023: 1,252 ¹

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, 2023 (2022). 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. Some investments haven't reported yet because their KPI reporting is still in development or because their operational processes are or have been on hold. Unless otherwise stated, impact results refer to the Fund's actual interest in the underlying funds.

Policy on the integration of sustainability risks into investment decisions

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 publishes a dedicated report on the principal adverse impacts ("PAI").

Taxonomy Regulation

While the Fund does not target Taxonomy aligned investments as part of its investment strategy, it 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 2023. The risk profile of the Fund hasn't changed during the reporting period. Neither did the investment objective (s) or any of the investment restrictions of the Fund changed during the reporting period.

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

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

Privium Sustainable Impact Fund

Sorts of risks	Risk hedged	Measures applied and expected effectiveness	Impact on 2023 NAV	Expected impact on 2024 NAV if risk materializes	Adjustments made or expected adjustments to risk management in 2023 or 2024
Price/Market Risk	No	The fund 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 lost -4.6% in 2023. 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 +5.2% in 2023.	Investments are selected after a thorough due diligence process but the occurrence 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 underperformed the reference index during 2023. Global Equities, measured by the MSCI World Index (EUR) gained +16.3% in 2023, bonds measured by the Vanguard Global Bond Index Fund (EUR) gained +4.7% in 2023.	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, 2023 the leverage calculations according to the Gross method and Commitment method are as follows: Gross method: 163.29% and Commitment method: 100%.	None	None	No
Sustainability Risk	No	Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment. 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: <ul style="list-style-type: none"> • 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 Management team. Privium has a Risk Management Committee which meets at least on a monthly basis.

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

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

The risk management function performs the following roles:

- Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- Monitor compliance with risk limits; and
- Provide regular updates to senior management concerning:
 - 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 Management team has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

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

The positions of the fund are administered and reconciled using SS&C Eze Investment Suite and risk metrics such as value at risk, stress scenarios and portfolio liquidity are obtained through Bloomberg.

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

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

In 2016 Privium's senior management team decided to engage an external party in the annual evaluation of the internal processes. This audit primarily focusses on risk management and compliance processes. In Q4 2023 and during the first two months of 2024 this audit was performed and the findings were reported to Privium's management. The audit did not demonstrate any material deviations.

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

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

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

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

Remuneration policy 2023

This overview is based on the situation as of December 31, 2023. The financial year of Privium ends on December 31 of any year. For some of the funds the compensation consists of both a management and a performance fee. Amounts reflect remuneration related to funds managed by Privium, for the time Privium was the Fund Manager of those funds.

The two tables below offer an overview of the remuneration at the level of Privium. The first table shows the remuneration overview as of December 31, 2022 and the second table shows the remuneration overview as of December 31, 2023.

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

Overview as December 31, 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

Overview as December 31, 2023

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

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

In 2023 no variable payments regarding the 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.

Employee remuneration is paid out of the management and performance fees (if applicable). In total 39 staff members were involved during (some part of) the year 2023 (2022: 41), including consultants and including both part-time and full-time staff.

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

Remuneration Investee Funds

The Privium Sustainable Impact Fund invests, amongst 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 2023 we assessed the various aspects of the Privium operations as outlined in the AO/IB (Handbook). We have not identified any internal control measures that do not meet the requirements of Article 121 of the Bgfo and as such we declare that the operations in the year 2022 functioned effectively as described. During 2023 a number of independent service providers have conducted checks on Privium's operations as part of their ongoing responsibility and investor demand. No errors have been signaled.

Privium is updating its AO/IC (Handbook) on a regular basis as required by law. The 2023 update was completed in November 2023. During the fourth quarter of 2023 and the first two months of 2024 the external audit officer performed its annual due diligence on a number of internal procedures at the Fund Manager. These are related to Compliance and Risk Management. The external audit officer has reported his findings to the Fund Manager in a report. No meaningful errors have been signalled.

Financial statements

Balance sheet as at 31 December 2023

(all amounts in EUR)	Notes	2023	2022
Assets			
Investments	1		
Investment funds		630,341,991	669,221,242
Bonds		8,864,478	13,554,654
Swap contracts		-	2,041,924
Total of investments		639,206,469	684,817,820
Receivables			
Due from broker		7,040,424	-
Other receivables	2	596,632	520,420
Total of receivables		7,637,056	520,420
Other assets			
Cash	3	19,253,906	29,116,158
Total of other assets		19,253,906	29,116,158
Total assets		666,097,431	714,454,398
Liabilities			
Net asset value	4		
Participations paid in surplus		652,354,201	669,174,221
Undistributed income prior years		44,311,184	24,575,790
Result current year		(32,929,732)	20,480,393
Total net asset value		663,735,653	714,230,404
Investments	1		
Swap contracts		2,041,888	-
Total of investments		2,041,888	-
Short-term liabilities	Error! Reference source not found.		
Due to brokers		1,760	431
Other liabilities		318,130	223,563
Total short-term liabilities		319,890	223,994
Total liabilities		666,097,431	714,454,398

Profit and loss statement

(For the year ended 31 December)

(all amounts in EUR)	Notes	2023	2022
Investment result			
Dividend income	6	19,545,631	18,055,057
Interest income	7	1,346,111	1,176,549
Total investment result		20,891,742	19,231,606
Revaluation of investments	8		
Realised results		(9,733,733)	2,666,430
Unrealised results		(48,729,617)	6,655,950
Total changes in value		(58,463,350)	9,322,380
Other results			
Foreign currency translation	9	6,605,150	(5,119,140)
Interest income on bank accounts		427,718	33,642
Other income	10	753,370	427,726
Total other results		7,786,238	(4,657,772)
Operating expenses			
Management fee	11	(2,041,372)	(2,141,509)
Administration fees	12	(228,460)	(237,212)
Custody expenses	13	(213,398)	(219,058)
Depositary fees	14	(116,698)	(118,529)
Legal owner fees	15	(9,497)	(8,727)
Interest expenses	16	(2,170)	(79,213)
Brokerage fees and other transaction costs	17	(260,203)	(212,573)
Audit fees	18	(47,658)	(23,729)
Supervision fees		(94,616)	(94,616)
Tax advisory fees		(10,406)	(43,740)
Other expenses		(34,278)	(333)
Total operating expenses		(3,058,756)	(3,179,239)
Result for the year before tax		(32,844,126)	20,716,975
Withholding tax	20	(85,606)	(236,582)
Net result for the year after tax		(32,929,732)	20,480,393

Cash flow statement

(For the year ended 31 December)

(all amounts in EUR)		Notes	2023	2022
Cash flow from operating activities				
Purchases of investments			(83,090,580)	(143,926,069)
Proceeds from sales of investments			65,241,374	108,919,449
Dividend received			19,374,318	17,728,012
Interest received			1,773,829	1,210,191
Interest paid			(2,170)	(79,213)
Management fee paid			(2,054,241)	(2,126,154)
Operating expenses paid			(898,283)	(995,249)
Other income received			753,370	427,726
Net cash flow from operating activities			1,097,617	(18,841,307)
Cash flow from financing activities				
Proceeds from subscriptions to redeemable shares			64,428,433	93,134,869
Payments for redemption of redeemable shares			(81,248,453)	(53,363,148)
Dividend paid			(633,249)	-
Dividend tax paid			(111,750)	-
Net cash flow from financing activities			(17,565,019)	39,771,721
Net cash flow for the year			(16,467,402)	20,930,414
Cash at beginning of the year			29,116,158	13,304,884
Foreign currency translation		9	6,605,150	(5,119,140)
Cash at the end of the year		3	19,253,906	29,116,158

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 2023 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 2023 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.

Going concern

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

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.

Offsetting

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.

Investments

Recognition and basis of measurement

All investment securities are initially recognized at cost.

Valuation

The subsequent measurement of investments is at fair value. 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.

Receivables and payables

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

Cash

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

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.

Revaluation of investments

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.

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

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 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 2023 until 31 December 2023 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)

	2023	2022
Investment funds	630,341,991	669,221,242
Bonds	8,864,478	13,554,654
Swap contract Long	-	2,041,924
Swap contract Short	(2,041,888)	-
Position as per 31 December	637,164,581	684,817,820

Swap contract details

Contract	Maturity	Bought	Sold	Value
Swap EUR / GBP	31/01/2024	EUR 244,566,307	GBP 212,800,000	(689,098)
Swap EUR / USD	31/01/2024	EUR 193,017,530	USD 214,800,000	(1,352,790)

The movement of the financial instruments is as follows:

Investment funds

Opening balance	669,221,242	622,921,017
Purchases	22,650,990	49,231,020
Sales	(15,753,422)	(10,458,516)
Realised investment result	789,386	2,085,641
Unrealised investment result	(46,566,205)	5,442,080

Balance at 31 December **630,341,991** **669,221,242**

Bonds

Opening balance	13,554,654	21,222,177
Purchases	60,440,919	87,195,230
Sales	(67,051,495)	(95,395,196)
Realised investment result	-	-
Unrealised investment result	1,920,400	532,443

Balance at 31 December **8,864,478** **13,554,654**

Swap contracts

Opening balance	2,041,924	1,360,497
Sales and expirations	10,523,119	(580,789)
Realised investment result	(10,523,119)	580,789
Unrealised investment result	(4,083,812)	681,427

Balance at 31 December **(2,041,888)** **2,041,924**

Portfolio breakdown to valuation methods

(all amounts in EUR)

	2023	2022
Quoted prices	336,143,455	359,445,806
Net Present Value calculations	301,021,126	325,372,014
Balance at 31 December	637,164,581	684,817,820

2. Other receivables

(all amounts in EUR)

	2023	2022
Dividends receivable	380,323	510,925
Withholding tax receivable	216,309	-
Prepaid administration fee	-	9,495
Balance at 31 December	596,632	520,420

3. Cash

At 31 December 2023 and 31 December 2022, no restrictions on the use of cash exist.

4. 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)

	2023	2022
Participations paid in surplus		
Opening balance	669,174,221	629,402,500
Subscriptions to redeemable shares	64,428,433	93,134,869
Redemption of redeemable shares	(81,248,453)	(53,363,148)
Closing balance	652,354,201	669,174,221

(all amounts in EUR)

	2023	2022
Undistributed result prior years		
Opening balance	24,575,790	(4,347,174)
Addition from undistributed result	20,480,393	28,922,964
Dividend paid	(744,999)	-
Closing balance	44,311,184	24,575,790
Undistributed result		
Opening balance	20,480,393	28,922,964)
Addition to undistributed result prior years	(20,480,393)	(28,922,964)
Result current year	(32,929,732)	20,480,393
Closing balance	(32,929,732)	20,480,393
Total net assets value at 31 December	663,735,653	714,230,404

Movement schedule of participations

(in number of participations)

	2023	2022
Outstanding participations		
Opening balance	6,266,099	5,908,452
Subscriptions to redeemable shares	584,345	826,530
Redemption of redeemable shares	(737,544)	(468,883)
Outstanding participations at 31 December	6,112,900	6,266,099

5. Short-term liabilities

The short-term liabilities as at 31 December consist of the following items:

(all amounts in EUR)

	2023	2022
Due to brokers	1,760	431
	1,760	431
<i>Other liabilities</i>		
Management fees payable	169,159	182,028
Audit fees payable	35,345	20,522
Reporting fees payable	3,716	5,180
AIFMD fees payable	391	363
Custodian fees payable	14,272	15,387
Supervision fees payable	94,616	-
Administration fees payable	541	-
Other liabilities	90	83
Total other liabilities	318,130	223,563
Total short-term liabilities	319,890	223,994

Notes to the profit and loss statement

6. Dividend income

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

(all amounts in EUR)	2023	2022
Dividend income	19,545,631	18,055,057
Total dividend income	19,545,631	18,055,057

7. Interest income

(all amounts in EUR)	2023	2022
Interest income	1,346,111	1,176,549
Total interest income	1,346,111	1,176,549

8. Revaluation of investments

(all amounts in EUR)	2023	2022
<i>Net realised result on financial assets and liabilities at fair value through profit or loss</i>		
Realised gains on investment funds	2,538,823	2,085,641
Realised gains on bonds	-	-
Realised gains on forward contracts	27,150,636	49,333,170
Realised losses on investment funds	(1,749,437)	-
Realised losses on forward contracts	(37,673,755)	(48,752,381)
Total realised result	(9,733,733)	2,666,430
<i>Net unrealised result on financial assets and liabilities at fair value through profit or loss</i>		
Unrealised gains on investment funds	11,052,973	28,728,793
Unrealised gains on bonds	3,184,825	532,443
Unrealised gains on forward contracts	-	681,427
Unrealised losses on investment funds	(57,619,178)	(23,286,713)
Unrealised losses on bonds	(1,264,425)	-
Unrealised losses on forward contracts	(4,083,812)	-
Total unrealised result	(48,729,617)	6,655,950
Total revaluation of investments	(58,463,350)	9,322,380

9. 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 gain of EUR 6,605,150 (2022: a loss of EUR 5,119,140).

10. Other income

(all amounts in EUR)

	2023	2022
Other income	753,370	427,726
Total other income	753,370	427,726

Other income in 2023 consists of dividend tax reclaims of Dutch and Irish dividend tax (EUR 629,994), as well as rebate Management fee of Triodos Microfinance Fund I-II (EUR 123,376).

11. 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 2,041,372 (2022: EUR 2,141,509). 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.

12. 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.

13. 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.

14. Depositary fees

The Fund has appointed APEX 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.

15. 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.

16. Interest expenses

The interest expenses of EUR 2,170 have seen a fall compared to previous year EUR 79,213 due to the fact that until August 2022 there was a negative interest rate. From September 2022 until December 2023 only positive interest rates was applicable. The interest expenses concern the interest on the broker accounts of ABN Clearing N.V. and ABN AMRO Bank N.V.

17. Brokerage fees and other transaction costs

Brokerage fees and other transaction costs are related to trades executed by the Fund and paid direct to the brokers. The brokerage fees and other transaction costs for the year ended 31 December amounts to EUR 260,203 (2022: EUR 212,573).

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 47,658 (2022: EUR 23,729). 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 2,054,241 (2022: EUR 2,126,154) 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 2023 amounts to EUR 95,341,309 (2022: EUR 91,766,628).

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 0.44% (2022: 1.31%).

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 2023, the sector allocations of the Fund were as follows:

(in %)	2023	2022
Financial Inclusion	69.1	64.2
Renewable energy investments	25.8	29.5
Education related investments	1.3	1.9
Cash balances	3.8	4.4
Total	100.0	100.0

The total market risk that the Fund bears at 31 December 2023 is the total net financial assets and liabilities at fair value through profit or loss in the amount of EUR 637,164,581 (2022: EUR 684,817,820). 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 31,858,229 (2022: EUR 34,240,891).

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 2023 is as follows (no lookthrough applied for investments in funds):

(all amounts in EUR)

	2023			
	Gross fair value	Swaps	Net fair value	% NAV
Pound sterling	248,339,904	(245,486,080)	2,853,824	0.43
US dollars	190,648,022	(194,582,843)	(3,934,821)	(0.59)
Australian dollars	550	-	550	0.00
Singapore dollars	3,680	-	3,680	0.00
Hong Kong dollars	124	-	124	0.00
Total			(1,076,643)	(0.16)

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

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 (2022: 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 2023 and 2022 in relation to the assets, is the carrying amount of EUR 35,755,440 (2022: EUR 43,191,232) 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 (2022: 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 4. 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)

	2023	2022
Average net asset value	680,460,563	713,475,355
Total ongoing expenses	2,796,383	2,887,453
Ongoing charges figure	0.411%	0.405%
Ongoing charges figure underlying investment funds	0.584%	0.496%
Total ongoing charges figure	0.995%	0.901%

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 2023 expenses with the prospectus

(all amounts in EUR)

	Expenses	OCF	Prospectus
Management fee	2,041,372	0.300%	0.300%
Custody expenses	213,398	0.031%	0.030%
Administration	221,324	0.033%	0.030%
Depositary and legal owner	126,196	0.019%	0.010%
Audit & reporting fees	55,153	0.008%	0.010%
Other expenses	138,940	0.020%	0.010%
Total	2,796,383	0.411%	0.390%

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%

22. Turnover ratio (TOR)

The turnover ratio for the Fund over the period 1 January 2023 until 31 December 2023 is 1 (2022: 14)

23. Core business and outsourcing

The following key tasks 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 12.

Investment advisor

ABN AMRO Investment Solutions SA has been appointed as Investment Advisor/Delegate. For information on fees we refer to note 11.

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.

Next to that that developments in the Middle East are causing uncertainties too. Further escalation of the conflict is expected to dampen global growth. This might have an impact on the performance of the Fund.

No other material events occurred after the balance sheet date that could influence the transparency of the financial statements.

25. Personnel

The Fund did not employ personnel during the year (2022: 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, 5 June 2024

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 2023 and 31 December 2023 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	828,000
ARGENTUM CAPITAL SA May 31 Floating - XS1794373255@CSSS	15,000,000	2,473,500
ARGENTUM CAPITAL SA Nov 28 Floating - XS1549447297@CSSS	400,000	43,680
ARGENTUM CAPITAL SA Aug 27 Floating - XS1234887682@CSSS	7,975,000	18,061
ARGENTUM CAPITAL SA Feb 38 0% Floating - XS2177691834@CSSS	15,610,000	5,373,494
ARGENTUM CAPITAL SA Oct 29 Floating - XS1261178096@CSSS	3,570,000	127,743
Total Bonds		8,864,478
Investment Funds		
BLUEFIELD SOLAR INCOME FUND - BSIF LSE	12,044,523	16,478,950
FORESIGHT SOLAR FUND PLC - FSFL LSE	22,162,232	26,128,811
GREENCOAT UK WIND PLC - UKW LSE	22,459,767	39,253,025
JOHN LAING ENVIRONMENTAL ASS - JLEN LSE	14,438,832	16,923,143
NEXTENERGY SOLAR FUND LTD - NESF LSE	22,576,546	24,064,936
GREENCOAT RENEWABLES PLC - GRP ISX	21,853,860	22,203,522
AQUILA ENERGY EFFICIENCY TRU - AEET LSE	6,000,000	3,962,616
DOWNING RENEWABLES & INFRAST - DORE LSE	6,819,819	7,080,609
FORESIGHT SUSTAINABLE FOREST - FSF LSE	7,896,299	5,556,594
HYDROGENONE CAPITAL GROWTH P - HGEN LSE	6,040,000	3,459,485
OCTOPUS RENEWABLES INFRASTRU - ORIT LSE	12,189,697	12,655,831
RENEWABLES INFRASTRUCTURE GR - TRIG LSE	25,904,220	34,006,977
SCHRODER BSC SOCIAL IMPACT T - SBSI LSE	4,000,000	4,037,600
SDCL ENERGY EFFICIENCY INCOM - SEIT LSE	11,184,311	8,386,444
TRIPLE POINT ENERGY EFFICIEN - TEEC LSE	4,346,017	3,308,953
VH GLOBAL SUSTAINABLE ENERGY - GSEO LSE	13,068,002	11,638,091
ABN AMRO Symbiotics Emerging Markets Impact Debt	787,602	78,403,475
Asian Energy Impact Trust plc - TLEUSD EO	6,800,000	3,104,629
ECOFIN US RENEWABLES INFRAST - RNEW LSE	7,000,000	3,582,752
AQUILA EUROPEAN RENEWABLES I - AERI LSE	16,690,655	13,102,164
BLUEORCHARD MICROFIN DEBT-EI - ORCHIEU LUX	6,818	86,281,357
TRIODOS SICAV II-MICR-IIICAP - TMFFIII LUX	2,434,975	76,117,315
GORE STREET ENERGY STORAGE F - GSF LSE	13,360,887	13,625,197
GRESHAM HOUSE ENRG STRG FUND - GRID LSE	12,533,130	15,759,458
FMO PRIVIUM IMPACT FUND-AUSD - FPIFAUA NA	795,730	95,341,309
US SOLAR FUND PLC - USF LSE	12,130,000	5,878,748
Total Investment Funds		630,341,991

Appendix II – Annex 5 disclosure SFDR

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

Product name: Privium Sustainable Impact Fund

Legal entity identifier: 7245005GW2KB8L5LCM75

Sustainable investment objective

Did this financial product have a sustainable investment objective?



Yes



It made **sustainable investments with an environmental objective: 45.4%**



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



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



It made **sustainable investments with a social objective: 54.6%**



No



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



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



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



with a social objective



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

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

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



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

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, 2023

Financial Inclusion (are 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	69% loans to women (based on the Invested Capital of the Fund) <i>(50% in 2022)</i>
	Increase sustained, inclusive and sustainable economic growth, full and productive employment and decent work	117,326 entrepreneurs financed (based on the Invested Capital of the Fund). <i>(139,444 in 2022)</i>
	Reduce the development gap between urban and rural communities in developing economies by increasing the number of loans to borrowers in rural areas	56% loans to borrowers in rural areas (based on the Invested Capital of the Fund) <i>(39% in 2022)</i>
Education (are 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.	462 loans being provided to students (based on the Invested Capital of the Fund) <i>(661 in 2022)</i>
	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) <i>(79% in 2022)</i>
Renewable Energy (are investments with an environmental objective)		
SDG	Target	Key Performance Indicator (KPI)

	Ensure access to affordable, reliable, sustainable and modern energy by increasing the share of renewable energy in the global energy mix	441,793 MWh (megawatt-hour) renewable energy generated or stored (based on the Invested Capital of the Fund) <i>(366,360 MWh in 2022)</i>
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation by increasing the construction of renewable energy capacity and related infrastructure	270 MW (megawatt) renewable energy generation or storage capacity installed (based on the Invested Capital of the Fund) <i>(250 MW in 2022)</i>
	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	198,895 tCO ² emissions avoided (based on the Invested Capital of the Fund) <i>(178,253 tCO² in 2022)</i>
Natural Capital (are investments with an environmental objective)		
SDG	Target	Key Performance Indicator (KPI)
	Ensure sustainable management of water and sanitation by responsibly managing waterways in invested natural capital projects.	16 Kilometres of sustainably managed watercourses. (based on the Invested Capital of the Fund) <i>(13 KM in 2022)</i>
	Take urgent action to combat climate change and its impacts by avoiding CO ² emissions by investing in natural capital projects	Portfolio sequestration of 1,610 tonnes CO ² e / annum. (based on the Invested Capital of the Fund) <i>(1,326 tCO² in 2022)</i>
	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	175 hectares of sustainably managed land area (based on the Invested Capital of the Fund) <i>(442 HA in 2022)</i>
Social Impact (are investments with a social objective)		
SDG	Target	Key Performance Indicator (KPI)
	Reduce inequalities on a local level by providing disadvantaged people with essential services ¹	12,472 people provided with essential services (based on the Invested Capital of the Fund) <i>(6,963 in 2022)</i>



Make cities and settlements inclusive, safe, resilient and sustainable by providing safe, affordable housing and basic services to disadvantaged people¹.

1,252 disadvantaged people provided with affordable, quality homes (based on the Invested Capital of the Fund)
(891 in 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, 2023 (2022). 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?**

See above

● **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:	For Financial inclusion, where main aim is to reduce poverty, GHG emissions become of second-hand	Same as for Financial inclusion funds.	Not applicable: Education notes is about financing students' education, therefore deemed not to

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.

		Share of renewable energy, energy efficiency and energy storage assets and other climate mitigation assets.	order. Nevertheless, some minimum safeguards need to be in place.		have any significant adverse impact on environment.
	2. Carbon footprint	Quality Investigation: Does the fund consider end-of-life in the investment process?	Exclude: Non-taxonomy aligned fossil fuel generating assets.		
	3. GHG intensity of investee companies	This is indirectly considered through CO ² avoided.	Quality Investigation: does the fund consider CO ₂ /GHG emissions related to e.g. agricultural lending or small & mid-size enterprises lending?		
	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 consumption and production	Exclusion: Non-taxonomy aligned fossil fuel 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.	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.	Quality investigation: Does the fund consider biodiversity, water and waste?	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. <i>Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises</i>	Exclude: Non-UNPRI signatories Quality investigation: does the fund follow the OECD guidelines?	By nature, Financial Inclusion funds focus on lending to women ratio, urban/rural ratio and job creation in a fair manner. Exclude: Non-UNPRI signatories	Same as for renewable energy funds.	Student loans aim to lend to students without any other financing options. Therefore, it is deemed there will be no violations to these principles.
	11. <i>Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</i>	Exclude: Non-UNPRI signatories Quality investigation: does the fund follow the OECD guidelines?	By nature, Financial Inclusion funds focus on lending to women ratio, urban/rural ratio and job creation in a fair manner. Exclude: Non-UNPRI signatories	Same as for renewable energy funds.	Same as above.
Social and employee matters	12. <i>Unadjusted gender pay gap</i>	Usually funds invest directly into an infrastructure asset. Gender pay gap is potentially relevant for the operations and maintenance contractor, but usually not for the fund. Engage when relevant.	Could be relevant when the financial inclusion fund is assessing the target lending institution. In principle, these are of secondary order to the aim to reduce poverty and create more jobs. However, poverty reduction and job creation should come at no significant adverse impact on diversity. Therefore, PSIF requires funds to address these aspects into their	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	Not applicable - While gender is an important factor, pay gap is not relevant for single students.

			investment process. Quality investigation: does the fund assess and incorporate gender pay gap and diversity into investment decisions?	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 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				
	<i>15. GHG intensity</i>	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 portfolio management purposes.	Not applicable.
	<i>16. Investee countries subject to social violations</i>	Same as above.	Same as above.	Same as above.	Not applicable.
	Real estate assets				
	<i>17. Exposure to fossil fuels through real estate assets</i>	Not applicable, as real estate is out of investment scope for the funds.	Not applicable, as real estate is out of investment scope for the funds.	While primary aim of e.g. social housing is to provide housing to disadvantaged people it is nevertheless an investment in real estate assets. Quality investigation: does the fund consider measures for	Not applicable.

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

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

PSIF investigates the governance quality of the companies, organizations, vehicles, and funds managing the ultimate investments. This analysis is based on a combination of international standards from the UN Principles for Responsible investment (UNPRI), UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Sustainability Accounting Standards Board (SASB). Focus points for the 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 collecting 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
<i>FMO Privium Impact Fund</i>	<i>Financial Inclusion</i>	<i>14.1%</i>	<i>Netherlands</i>
<i>Triodos Microfinance Fund</i>	<i>Financial Inclusion</i>	<i>12.3%</i>	<i>Luxembourg</i>
<i>BlueOrchard Microfinance</i>	<i>Financial Inclusion</i>	<i>11.9%</i>	<i>Luxembourg</i>
<i>ABN AMRO Symbiotics EM</i>	<i>Financial Inclusion</i>	<i>11.5%</i>	<i>Luxembourg</i>
<i>Greencoat UK Wind</i>	<i>Renewable Energy</i>	<i>5.7%</i>	<i>England</i>
<i>The Renewables</i>	<i>Renewable Energy</i>	<i>5.0%</i>	<i>England</i>
<i>Foresight Solar Fund Ltd</i>	<i>Renewable Energy</i>	<i>3.8%</i>	<i>England</i>
<i>NextEnergy Solar Fund Ltd</i>	<i>Renewable Energy</i>	<i>3.6%</i>	<i>England</i>
<i>Greencoat Renewables PLC</i>	<i>Renewable Energy</i>	<i>3.2%</i>	<i>Ireland</i>
<i>Gresham House Energy</i>	<i>Renewable Energy</i>	<i>2.7%</i>	<i>England</i>
<i>John Laing Environmental</i>	<i>Renewable Energy</i>	<i>2.6%</i>	<i>England</i>
<i>Bluefield Solar Income Fund</i>	<i>Renewable Energy</i>	<i>2.5%</i>	<i>England</i>
<i>Aquila European Renewables</i>	<i>Renewable Energy</i>	<i>2.1%</i>	<i>England</i>
<i>Gore Street Energy Storage</i>	<i>Renewable Energy</i>	<i>2.1%</i>	<i>England</i>
<i>VH Global Sustainable</i>	<i>Renewable Energy</i>	<i>1.9%</i>	<i>England</i>

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



What was the proportion of sustainability-related investments?

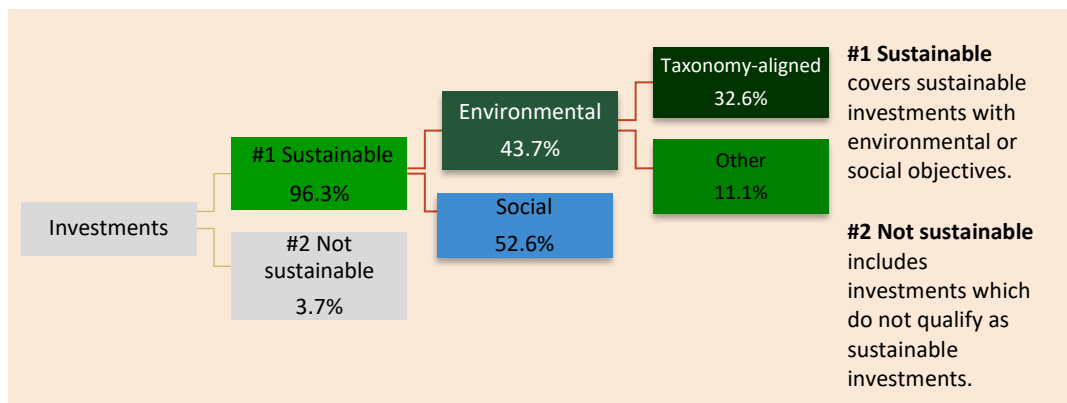
What was the asset allocation?

Of the Fund's total NAV, 96.3% was allocated to sustainable investments. The remaining 3.7% being cash and assets used for efficient portfolio management. Therefore, 100% of the fund's invested capital was held in sustainable investments.

45.4% of the sustainable investments had an environmental focus while 54.6% had a social focus. Of the total NAV, that translates to 43.7% environmental and 52.6% social focus.

32.6% of PSIF's NAV was aligned with the EU Taxonomy. Of the fund's investments with an environmental focus, this was 71.9%.

Asset allocation describes the share of investments in specific assets.



● **In which economic sectors were the investments made?**

Of the Fund's invested capital, 45.4% was invested in line with the environmental objective and 54.6% was invested in line with the social objective.

Social	
Financial Inclusion	52.6%
Education	1.4%
Social Impact	0.6%
Environmental	
Renewable Energy	44.5%
Natural Capital	0.9%
Not Sustainable	
Other	3.7%



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 71.9% was aligned with the EU taxonomy as reported in the underlying fund's SFDR reporting. This equates to 32.6% of the total Net Asset Value. Some of the investee funds are still in the process of calculating their alignment. Therefore, more complete reporting is expected in future disclosures

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

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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

Taxonomy-aligned activities are expressed as a share of:

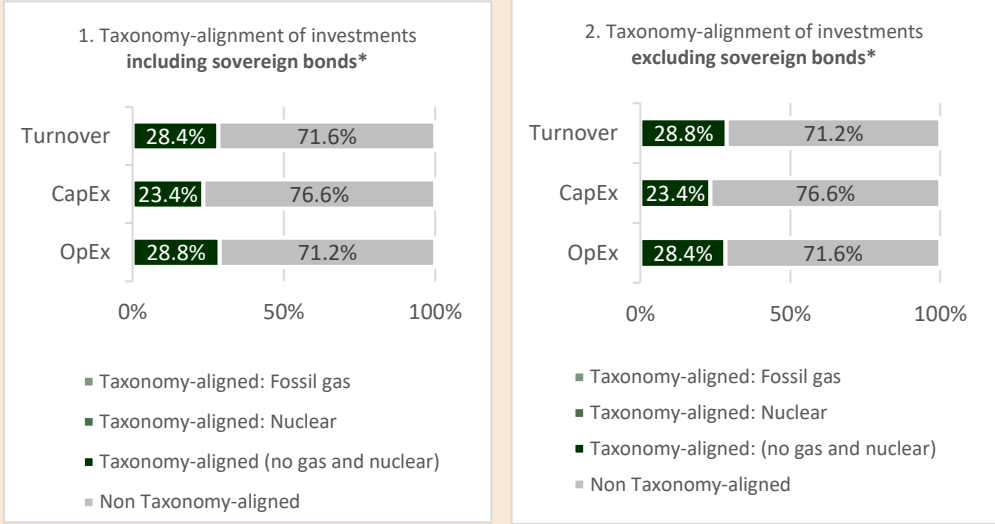
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

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

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

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

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, 2% 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?**

Per 2023: 32.6% of NAV

Per 2022: 11.2% of NAV

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

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



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, 67.4% 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?

Of the Fund’s total NAV per December 31, 2023 54.6% was invested in socially sustainable investments.



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

Investments included under “not sustainable” 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 topics like investment policy changes, appointment of board member, etc. Most EGM and AGM topics were related to good governance.
- Sector thought leadership. 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.



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

The fund does not measure its sustainable investments against a benchmark

- *How did the reference benchmark differ from a broad market index?*

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A

Independent auditor's report

To: the Participants and the Fund Manager of Privium Sustainable Impact fund

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

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of Privium Sustainable Impact fund based in Amsterdam.

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 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2023
- The profit and loss statement for 2023
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

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

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

Information in support of our opinion

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

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

Our responsibility

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

Our audit response related to fraud risks

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

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

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

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

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

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

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

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

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

Our audit response related to going concern

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

We discussed and evaluated the specific assessment with the Fund Manager exercising professional judgment and maintaining professional skepticism. We considered whether Fund Manager’s going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a Fund to cease to continue as a going concern.

Report on other information included in the annual report

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

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

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

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

The Fund Manager is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the Fund Manager for the financial statements

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

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

Our responsibilities for the audit of the financial statements

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

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

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

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

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

Communication

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

Amsterdam, 5 June 2024

Ernst & Young Accountants LLP

signed by R.A.J.H. Vossen