

SEMI-ANNUAL REPORT

Period ended 30 June 2017

Privium Sustainable Alternatives Fund

Table of contents

General information	3
Key figures	4
Financial statements	5
Balance sheet.....	5
Profit and loss statement.....	6
Cash flow statement.....	7
Notes to the financial statements	8
Other Information.....	14

General information

Registered office

Privium Sustainable Alternatives Fund
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands

Fund Manager

Privium Fund Management B.V.
Symphony Towers 26/F
Gustav Mahlerplein 3
1082 MS Amsterdam
The Netherlands
www.priviumfund.com/sustainable

Legal Owner

Stichting Juridisch Eigendom Privium
Sustainable Alternatives Fund
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Investment Advisor

Triodos MeesPierson Sustainable Investment
Management B.V.
Hoofdstraat 101a
3971 KE Driebergen
The Netherlands

Administrator

Circle Investment Support Services B.V.
Smallepad 30F
3811 MG Amersfoort
The Netherlands

Legal and Tax Counsel

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

Custodian

ABN AMRO Clearing Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Depositary

Darwin Depositary Services B.V.
Barbara Strozilaan 101
1083 HN Amsterdam
The Netherlands

Key figures

	30-06-2017	2016	2015	2014¹
Total for the Fund				
(all amounts in EUR x 1,000)				
Net Asset Value at reporting date	300,680	288,111	240,334	238,163
Result from investments	2,846	4,922	6,854	2,341
Changes in value	(7,275)	3,448	12,527	6,402
Other results	1,110	(330)	134	-
Costs	(757)	(1,463)	(1,272)	(1,123)
Net result for the period	(4,076)	6,577	18,243	7,620
Outstanding participations at reporting date	2,772,141	2,620,223	2,151,361	2,305,091

¹ The 2014 figures are for the period 18 July 2014 through 31 December 2014.

Financial statements

Balance sheet

(all amounts in EUR)	Notes	<u>30-06-2017</u>	<u>31-12-2016</u>
Assets			
Investments			
Equities	1	132,333,969	126,425,620
Investment funds		126,348,851	130,305,840
Bonds		14,824,500	14,797,500
Forward contracts		7,803	43,927
Total of investments		<u>273,515,123</u>	<u>271,572,887</u>
Receivables			
Prepaid investments		2,888,028	-
Other receivables	2	537,228	600,321
Total of receivables		<u>3,425,256</u>	<u>600,321</u>
Other assets			
Cash	3	39,287,500	34,543,643
Total of other assets		<u>39,287,500</u>	<u>34,543,643</u>
Total assets		<u>316,227,879</u>	<u>306,716,851</u>
Liabilities			
Net asset value			
Participations paid in surplus	4	284,929,971	268,284,646
Undistributed income prior years		19,826,843	13,250,106
Result current period		(4,076,317)	6,576,737
Total net asset value		<u>300,680,497</u>	<u>288,111,489</u>
Investments			
Forward contracts	1	9,533	47,197
Total of investments		<u>9,533</u>	<u>47,197</u>
Other liabilities			
Bank overdrafts	3	15,486,623	13,513,934
Payable for investments purchased		-	5,000,401
Other liabilities	5	51,226	43,830
Total other liabilities		<u>15,537,849</u>	<u>18,558,165</u>
Total liabilities		<u>316,227,879</u>	<u>306,716,851</u>

Profit and loss statement

(for the period 1 January through 30 June)

(all amounts in EUR)	Notes	2017	2016
Investment result			
Dividend income		2,844,344	2,565,827
Interest income		1,688	1,607
Total investment result		2,846,032	2,567,434
Revaluation of investments			
Realized results		4,086,645	249,846
Unrealized results		(11,361,693)	(375,143)
Total changes in value		(7,275,048)	(125,297)
Other results			
Foreign currency translation		1,109,756	(205,351)
Total other results		1,109,756	(205,351)
Operating expenses			
Management fee	6	128,539	109,191
Administration fees	7	46,036	38,395
Custody expenses	8	42,109	32,570
Depositary fees		24,836	20,137
Interest expenses	9	89,314	76,485
Brokerage fees and other transaction costs		26,934	17,815
Audit fees	10	6,044	4,455
Legal fees		9,787	5,942
Other expenses		24,804	46,339
		398,403	351,329
Result for the year before tax		(3,717,663)	1,885,457
Withholding tax		(358,654)	363,327
Net result for the year after tax		(4,076,317)	1,522,130

Cash flow statement

(for the period 1 January through 30 June)

(all amounts in EUR)

	Notes	2017	2016
Cash flow from operating activities			
Purchases of investments		(78,672,153)	(29,045,950)
Proceeds from sales of investments		61,527,678	3,736,649
Operating expenses paid		(669,430)	(262,008)
Other income received		1,733	-
Net cash flow from operations		(17,812,172)	(25,571,309)
Dividend received		2,903,484	2,315,088
Interest received		554	1,587
Interest paid		(75,779)	(63,799)
Net cash flow from operating activities		2,828,259	2,252,876
Cash flow from financing activities			
Proceeds from subscriptions to redeemable shares		36,008,990	33,008,461
Payments for redemption of redeemable shares		(19,363,665)	(16,992,895)
Net cash flow from financing activities		16,645,325	16,015,566
Net cash flow for the year		1,661,412	(7,302,867)
Cash at beginning of the year		21,029,709	23,884,582
Foreign currency translation of cash positions		1,109,756	(205,351)
Cash at the end of the year	3	23,800,877	16,376,364

Notes to the financial statements

General information

Privium Sustainable Alternatives 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 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 performance objective of the Fund is to seek to outperform the following composite benchmark by 0.75% per annum, over rolling three-year periods:

- a) 50% GPR 250 World Property (total return, EUR) Index (BB ticker: G250PGLE Index); and
- b) 50% Euro cash 3 months (BB ticker: ECC0TR03 Index) + 2% per annum.

The Board of Directors of the Fund Manager authorized these semi-annual financial statements for issue on 21 August 2017.

Accounting policies

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.

All figures in this semi-annual report are denoted in euro's, unless stated otherwise. The length of reporting period is from 1 January 2017 through 30 June 2017.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

	30-06-2017	31-12-2016
Equities	132,333,969	126,425,620
Investment funds	126,348,851	130,305,840
Bonds	14,824,500	14,797,500
Forward contracts Long	(9,533)	43,927
Forward contract Short	7,803	(47,197)
Position as per reporting date	273,505,590	271,525,690

The market value of the investments is based on quoted market prices. The movement of the financial instruments is as follows:

(for the period 1 January through 30 June)

(all amounts in EUR)

	2017	2016
<i>Equities</i>		
Opening balance	126,425,620	106,887,825
Purchases	25,659,341	16,407,858
Sales	(13,408,319)	(3,677,106)
Realised investment result	742,554	190,303
Unrealised investment result	(7,085,227)	(681,818)
Closing balance	132,333,969	119,127,062
<i>Investment funds</i>		
Opening balance	130,305,840	108,837,788
Purchases	50,900,439	12,638,092
Sales	(53,900,439)	-
Realised investment result	3,348,016	-
Unrealised investment result	(4,305,005)	312,876
Closing balance	126,348,851	121,788,756
<i>Bonds</i>		
Opening balance	14,797,500	-
Unrealised investment result	27,000	-
Closing balance	14,824,500	-
<i>Forward contracts</i>		
Opening balance	(3,270)	-
Sales and expirations	-	(59,543)
Realised investment result	-	59,543
Unrealised investment result	1,540	(6,201)
Closing balance	(1,730)	(6,201)

2. Other receivables

(all amounts in EUR)

	30-06-2017	31-12-2016
Dividend receivable	511,019	569,610
Deferred organizational fees	20,778	28,979
Prepaid administration fees	818	1,732
Interest receivable	1,134	-
Prepaid directors fees	3,479	-
Closing balance	537,228	600,321

3. Cash

(all amounts in EUR)

	30-06-2017	31-12-2016
Positive bank balances		
ABN AMRO Clearing Bank N.V.	39,280,514	34,538,899
Foreign cash at ABN AMRO Clearing Bank N.V.	6,986	4,744
	39,287,500	34,543,643
Bank overdrafts		
Foreign cash at ABN AMRO Clearing Bank N.V.	(15,486,623)	(13,513,934)
	(15,486,623)	(13,513,934)
Total cash at reporting date	23,800,877	21,029,709

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

(for the period 1 January through 30 June)

(all amounts in EUR)

	2017	2016
Participations paid in surplus		
Opening balance	268,284,646	216,393,638
Subscriptions to redeemable shares	36,008,990	(16,992,895)
Redemption of redeemable shares	(19,363,665)	33,008,461
Closing balance	284,929,971	232,409,204
Undistributed income prior years		
Opening balance	13,250,106	5,697,561
Addition from undistributed result	6,576,737	18,242,503
Dividend paid		-
Closing balance	19,826,843	23,940,064
Undistributed result		
Opening balance	6,576,737	18,242,503
Addition to undistributed income prior years	(6,576,737)	(18,242,503)
Result current year	(4,076,317)	1,522,130
Closing balance	(4,076,317)	1,522,130
Total net assets value at reporting date	300,680,497	257,871,398

Movement schedule of participations

(for the period 1 January through 30 June)

(in number of participations)

	2017	2016
Outstanding participations		
Opening balance	2,620,223	2,151,361
Subscriptions to redeemable shares	328,873	297,479
Redemption of redeemable shares	(176,955)	(153,637)
Outstanding participations at reporting date	2,772,141	2,295,203

5. Other liabilities

(all amounts in EUR)

	30-06-2017	31-12-2016
Management fees payable	21,713	20,875
Interest expenses payable	13,535	-
Legal and audit fees payable	4,701	14,407
Reporting fees payable	2,269	3,025
AIFMD fees payable	318	313
Other liabilities	8,690	5,210
Closing balance	51,226	43,830

Notes to the profit and loss statement

6. Management fee

The Fund Manager is entitled to an annual Management Fee equal to EUR 20,000 plus 0.08% of the Net Asset Value (i.e. 8 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.

7. Administration fees

The Fund has appointed Circle Investment Support Services BV 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.

8. 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 2.5-3.0bps 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.

9. Interest expenses

The interest expenses of EUR 89,314 have seen another rise compared to previous year EUR 76,485. The rise is attributable to the negative interest charge from the ABN AMRO Bank N.V. on several currencies.

10. Audit fees

The Fund has appointed Ernst & Young Accountants LLP as the independent auditor of the Fund. The Independent Auditor's remuneration for the period from 1 January 2017 through 30 June 2017 amounts to USD 6,044 and relates solely to the audit of the financial statements. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

11. 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 period, the Fund paid management fees of EUR 128,539 (first half of 2016: EUR 108,022) to the Fund Manager.

12. Income and withholding taxes

The Fund is organized as an investment Fund ("Fonds voor gemene rekening") under the current system of taxation in The Netherlands. The Fund is transparent for The Netherlands corporate income tax purposes. As a consequence, the Fund is not subject to The Netherlands corporate income tax. Certain dividend and interest income received by the Fund are subject to withholding tax imposed in the country of origin. During the year the average withholding tax rate incurred by the Fund was 12,61% (first half of 2016: 14.17%).

Currently there are a number of dividend tax reclaims outstanding. The custodian and a specialized tax reclaim company are carrying out this task.

13. Core business and outsourcing

The following key tasks have been outsourced by the Fund:

Administration

The administration has been delegated to Circle Investment Support Services 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 7.

14. Events after balance sheet date

None.

15. Personnel

The Fund did not employ personnel during the year.

16. 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 August 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.

In August 2017, the Fund will issue the FBI distribution to the Participants.

Amsterdam, 21 August 2017

Fund Manager
Privium Fund Management B.V.

Other Information

Personal holdings of the Board of Directors of the Fund Managers

The Board of Directors of the Fund Manager had no interests or positions at 1 January 2017 and 30 June 2017 in investments the Fund held in portfolio at these dates (1 January 2016 and 30 June 2016: No interests or positions held).