

SEMI-ANNUAL REPORT

Privium Sustainable Impact Fund

Period ended 30 June 2019

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

General information

Registered office

Privium Sustainable Impact 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 Impact Fund
Woudenbergseweg 11
3953 ME Maarsbergen
The Netherlands

Delegate/Investment Advisor

ABN AMRO Investment Solutions SA
3 Avenue Hoche
75008 Paris
France

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

Depository

Darwin Depository Services B.V.
Barbara Strozziilaan 101
1083 HN Amsterdam
The Netherlands

Key figures

	30-06-2019	2018	2017	2016	2015
Total for the Fund					
(all amounts in EUR x 1,000)					
Net Asset Value at 31 December	308,907	602,934	324,077	288,111	240,334
Result from investments	2,973	10,382	5,560	4,922	6,854
Changes in value	11,513	(5,508)	(11,936)	3,448	12,527
Other results	573	(555)	2,074	(330)	134
Costs	(893)	(3,201)	(1,569)	(1,463)	(1,272)
Net result for the period	14,166	1,118	(5,871)	6,577	18,243
Outstanding participations at reporting date	2,838,386	5,828,749	3,061,794	2,620,223	2,151,361

Financial statements

Balance sheet

(all amounts in EUR)	Notes	<u>30-06-2019</u>	<u>31-12-2018</u>
Assets			
Investments			
Investment funds	1	243,043,203	206,185,108
Bonds		29,270,583	30,800,164
Forward contracts		-	203,525
Total of investments		<u>272,313,786</u>	<u>237,188,797</u>
Receivables			
Other receivables	2	6,966	103,237
Total of receivables		<u>6,966</u>	<u>103,237</u>
Other assets			
Cash	3	37,422,577	365,873,069
Total of other assets		<u>37,422,577</u>	<u>365,873,069</u>
Total assets		<u>309,743,329</u>	<u>603,165,103</u>
Liabilities			
Net asset value			
Participations paid in surplus	4	296,055,074	604,247,337
Undistributed income prior years		(1,313,749)	(2,431,386)
Result current year		14,166,056	1,117,637
Total net asset value		<u>308,907,381</u>	<u>602,933,588</u>
Investments			
Forward contracts	1	194,551	-
Total of investments		<u>194,551</u>	<u>-</u>
Other liabilities			
Bank overdrafts	3	491,482	7,682
Other liabilities	5	149,915	223,833
Total other liabilities		<u>641,397</u>	<u>231,515</u>
Total liabilities		<u>309,743,329</u>	<u>603,165,103</u>

Profit and loss statement

(For the period 1 January through 30 June)

(all amounts in EUR)	Notes	2019	2018
Investment result			
Dividend income		2,510,129	4,875,156
Interest income		462,834	466,167
Total investment result		2,972,963	5,341,323
Revaluation of investments			
Realised results		(1,389,498)	(1,012,030)
Unrealised results		12,902,987	802,080
Total changes in value		11,513,489	(209,950)
Other results			
Foreign currency translation		573,356	186,475
Other income		-	126,038
Total other results		573,356	312,513
Operating expenses			
Management fee	6	(421,470)	(151,310)
Administration fees	7	(48,131)	(60,022)
Custody expenses	8	(36,984)	(52,903)
Depositary fees	9	(37,104)	(28,240)
Interest expenses	10	(213,354)	(206,606)
Brokerage fees and other transaction costs		(37,633)	(75,726)
Audit fees	11	(7,183)	(6,897)
Legal fees		(3,393)	(34,767)
Supervision fees		(10,507)	(9,552)
Tax advisory fees		(10,319)	-
Other expenses		(11,555)	(11,079)
		(837,633)	(637,102)
Result for the year before tax		14,222,175	4,806,784
Withholding tax	13	(56,119)	(690,073)
Net result for the year after tax		14,166,056	4,116,711

Cash flow statement

(For the period 1 January through 30 June)

(all amounts in EUR)	Notes	<u>2019</u>	<u>2018</u>
Cash flow from operating activities			
Purchases of investments		(52,582,516)	(129,234,814)
Proceeds from sales of investments		29,165,567	56,337,890
Dividend received		2,551,679	3,416,995
Interest received		459,726	465,556
Other income received		-	126,038
Interest paid		(200,798)	(161,860)
Operating expenses paid		(709,043)	(405,718)
Net cash flow from operating activities		<u>(21,315,385)</u>	<u>(69,455,913)</u>
Cash flow from financing activities			
Proceeds from subscriptions to redeemable shares		58,234,970	91,586,789
Payments for redemption of redeemable shares		(366,427,233)	(22,623,735)
Net cash flow from financing activities		<u>(308,192,263)</u>	<u>68,963,054</u>
Net cash flow for the year		<u>(329,507,648)</u>	<u>(492,859)</u>
Cash at beginning of the year		365,865,387	43,796,344
Foreign currency translation		573,356	186,475
Cash at the end of the year	3	<u>36,931,095</u>	<u>43,489,960</u>

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.

As of January 1, 2019 the Investment Strategy of the Fund has changed from a hybrid Sustainable Alternatives Fund into a Fund which makes investments that are classified as Sustainable Impact. To align the Fund with this more focused approach, real estate companies have been excluded from the Fund to reflect this focus, the name of the Fund has changed from 'Privium Sustainable Alternatives Fund' to 'Privium Sustainable Impact Fund'. 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 Fund's objective is to achieve long term capital growth.

To achieve the Fund's objective, the strategy of the Fund is to invest in a diversified portfolio of listed and unlisted Investment Funds, Investee Companies and fixed income instruments. The Fund will have exposure in both developed countries and emerging markets and shall be focused on Sustainable impact investments. The portfolio will be managed actively with a long term investment horizon and following a sustainability approach. Following the IFC definition, impact investing is defined as "investments made into companies, organizations, vehicles and funds with the intent to contribute to measurable positive social, economic and environmental impact alongside financial returns". Impact can be measured in terms such as CO2 emission avoided, renewable energy produced (in MW), number of jobs created and the number of people that got access to education.

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. During the first half of 2019 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. During the first half of 2019 the Fund has not applied any such discounts.

Accounting policies

The financial statements are prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The accounting principles used to prepare this semi-annual report 2019 are the same as the accounting principles used for the annual report 2018.

All figures in this semi-annual report are denoted in euro's, unless stated otherwise. The reporting period extends from 1 January 2019 through 30 June 2019.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

	30-06-2019	31-12-2018
Investment funds	243,043,203	206,185,108
Bonds	29,270,583	30,800,164
Forward contracts Long	-	203,525
Forward contract Short	(194,551)	-
Position as per reporting date	272,119,235	237,188,797

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

<i>Investment funds</i>		
Opening balance	206,185,108	279,663,698
Purchases	24,132,012	117,947,179
Sales	-	(57,764,552)
Realised investment result	-	814,466
Unrealised investment result	12,726,083	1,320,136
Closing balance	243,043,203	341,980,927
<i>Bonds</i>		
Opening balance	30,800,164	14,860,500
Purchases	28,450,504	17,049,373
Sales	(30,555,065)	(399,834)
Unrealised investment result	574,980	(504,370)
Closing balance	29,270,583	31,005,669
<i>Forward contracts</i>		
Opening balance	203,525	(1,504)
Sales and expirations	1,389,498	1,826,496
Realised investment result	(1,389,498)	(1,826,496)
Unrealised investment result	(398,076)	(13,686)
Closing balance	(194,551)	(15,190)

2. Receivables

(all amounts in EUR)

	30-06-2019	31-12-2018
Other receivables		
Dividend receivable	-	97,669
Interest receivable	3,108	-
Deferred organizational fees	1,392	5,568
Other receivables	2,466	-
Closing balance	6,966	103,237

3. Cash

At 30 June 2019 and 31 December 2018, 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

(For the period 1 January through 30 June)

(all amounts in EUR)

	2019	2018
Participations paid in surplus		
Opening balance	604,247,337	315,686,958
Subscriptions to redeemable shares	58,234,970	91,586,789
Redemption of redeemable shares	(366,427,233)	(22,623,735)
Closing balance	296,055,074	384,650,012
Undistributed income prior years		
Opening balance	(2,431,386)	14,261,490
Addition from undistributed result	1,117,637	(5,871,304)
Closing balance	(1,313,749)	8,390,186

Undistributed result

Opening balance	1,117,637	(5,871,304)
Addition to undistributed income prior years	(1,117,637)	5,871,304
Result current year	14,166,056	4,116,711

Closing balance

14,166,056	4,116,711
-------------------	------------------

Total net assets value at reporting date

308,907,381	397,156,909
--------------------	--------------------

Movement schedule of participations

(For the period 1 January through 30 June)

(in number of participations)

2019**2018****Outstanding participations**

Opening balance	5,828,749	3,061,794
Subscriptions to redeemable shares	548,778	883,605
Redemption of redeemable shares	(3,539,141)	(217,838)

Outstanding participations at reporting date

2,838,386	3,727,561
------------------	------------------

5. Other liabilities

(all amounts in EUR)

30-06-2019**31-12-2018**

Management fees payable	77,246	150,771
Legal and audit fees payable	12,061	14,365
Reporting fees payable	2,354	3,071
AIFMD fees payable	330	323
Supervision fees payable	31,523	21,014
Administration fees payable	1,740	16,541
Custodian fees payable	6,895	12,538
Interest payable	12,556	-
Other liabilities	5,210	5,210

Closing balance

149,915	223,833
----------------	----------------

Notes to the profit and loss statement

6. 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 period from 1 January 2019 through ended 30 June 2019 amounts to EUR 421,470 (first half of 2018: EUR 151,310). 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.

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 2.5-3.0 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.

9. Depositary fees

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

10. Interest expenses

The interest expenses of EUR 213,354 during the first half of 2019 have seen a rise compared to previous year EUR 206,606. This is due to negative interest rates

11. Audit fees

The audit fees relates solely to the audit of the annual financial statements. The Independent Auditor does not provide any other audit or non-audit services to the Fund.

12. 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 494,995 (first half of 2018: EUR 151,310) 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 30 June 2019 amounts to EUR 40,588,627 (31 December 2018: EUR 39,145,031).

13. Income and withholding tax

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 period the average withholding tax rate incurred by the Fund was 2.24% (31 December 2018: 10.44%).

Other notes

14. 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.

15. Events after balance sheet date

None.

16. Personnel

The Fund did not employ personnel during the period.

17. 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.

In August 2019, the Fund will, if applicable, issue the FBI distribution to the Participants.

Amsterdam, 19 August 2019

Fund Manager
Privium Fund Management B.V.