

SEMI-ANNUAL REPORT

Privium Sustainable Impact Fund

Period ended 30 June 2020

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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/strategies_amsterdam/
<https://www.psif.nl/>

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 Strozilaan 101
1083 HN Amsterdam
The Netherlands

Key figures

	30-06-2020	2019	2018	2017	2016
Total for the Fund					
(all amounts in EUR x 1,000)					
Net Asset Value at 31 December	419,301	377,064	602,934	324,077	288,111
Result from investments	4,573	6,263	10,382	5,560	4,922
Changes in value	(12,973)	15,946	(5,508)	(11,936)	3,448
Other results	(55)	2,374	(555)	2,074	(330)
Costs	(1,153)	(1,839)	(3,201)	(1,569)	(1,463)
Net result for the period	(9,608)	22,744	1,118	(5,871)	6,577
Outstanding participations at reporting date	3,860,469	3,385,660	5,828,749	3,061,794	2,620,223

Financial statements

Balance sheet

(all amounts in EUR)	Notes	30-06-2020	31-12-2019
Assets			
Investments			
Investment funds	1	353,787,332	317,189,016
Bonds		25,695,793	27,663,384
Forward contracts		155,892	21,068
Total of investments		379,639,017	344,873,468
Receivables			
Due from broker	2	-	30
Other receivables		4,188	-
Total of receivables		4,188	30
Other assets			
Cash	3	40,987,637	33,613,516
Total of other assets		40,987,637	33,613,516
Total assets		420,630,842	378,487,014
Liabilities			
Net asset value			
Participations paid in surplus	4	407,478,933	355,633,817
Undistributed income prior years		21,430,528	(1,313,749)
Result current year		(9,608,079)	22,744,277
Total net asset value		419,301,382	377,064,345
Investments			
Forward contracts	1	1,149,016	1,270,008
Total of investments		1,149,016	1,270,008
Other liabilities			
Other liabilities	5	180,444	152,661
Total other liabilities		180,444	152,661
Total liabilities		420,630,842	378,487,014

Profit and loss statement

(For the period 1 January through 30 June)

(all amounts in EUR)	Notes	2020	2019
Investment result			
Dividend income		3,990,764	2,510,129
Interest income		582,340	462,834
Total investment result		4,573,104	2,972,963
Revaluation of investments			
Realised results		9,598,412	(1,389,498)
Unrealised results		(21,902,594)	12,902,987
Total changes in value		(12,304,182)	11,513,489
Other results			
Foreign currency translation		(828,886)	573,356
Other income		104,932	-
Total other results		(723,954)	573,356
Operating expenses			
Management fee	6	(599,203)	(421,470)
Administration fees	7	(68,379)	(48,131)
Custody expenses	8	(54,872)	(36,984)
Depositary fees	9	(32,725)	(37,104)
Interest expenses	11	(136,500)	(213,354)
Brokerage fees and other transaction costs		(84,928)	(37,633)
Audit fees	12	(7,632)	(7,183)
Legal fees		-	(3,393)
Supervision fees		(48,912)	(10,507)
Tax advisory fees		(11,926)	(10,319)
Other expenses		(4,338)	(11,555)
		(1,049,415)	(837,633)
Result for the year before tax		(9,504,447)	14,222,175
Withholding tax	14	(103,632)	(56,119)
Net result for the year after tax		(9,608,079)	14,166,056

Cash flow statement

(For the period 1 January through 30 June)

(all amounts in EUR)	Notes	2020	2019
		<u> </u>	<u> </u>
Cash flow from operating activities			
Purchases of investments		(112,464,956)	(52,582,516)
Proceeds from sales of investments		65,274,263	29,165,567
Dividend received		3,887,132	2,551,679
Interest received		582,337	459,726
Other income received		104,932	-
Interest paid		(116,485)	(200,798)
Operating expenses paid		(909,332)	(709,043)
		<u> </u>	<u> </u>
Net cash flow from operating activities		(43,642,109)	(21,315,385)
Cash flow from financing activities			
Proceeds from subscriptions to redeemable shares		73,706,677	58,234,970
Payments for redemption of redeemable shares		(21,861,561)	(366,427,233)
		<u> </u>	<u> </u>
Net cash flow from financing activities		51,845,116	(308,192,263)
Net cash flow for the year		7,533,847	(329,507,648)
Cash at beginning of the year		33,613,516	365,865,387
Foreign currency translation		(828,886)	573,356
		<u> </u>	<u> </u>
Cash at the end of the year	3	40,987,637	36,931,095
		<u> </u>	<u> </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. 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 Fund's objective is to achieve long term capital growth by making Sustainable impact investments. 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. During the first half of 2020 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. During the first half of 2020 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 2020 are the same as the accounting principles used for the annual report 2019.

All figures in this semi-annual report are denoted in euro's, unless stated otherwise. The reporting period extends from 1 January 2020 through 30 June 2020.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

	30-06-2020	31-12-2019
Investment funds	353,787,332	317,189,016
Bonds	25,695,793	27,663,384
Forward contracts Long	155,892	21,068
Forward contract Short	(1,149,016)	(1,270,008)
Position as per reporting date	378,490,001	343,603,460

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	317,189,016	206,185,108
Purchases	58,569,720	24,132,012
Sales	(1,011,042)	-
Realised investment result	1,011,042	-
Unrealised investment result	(21,971,404)	12,726,083
Closing balance	353,787,332	243,043,203
<i>Bonds</i>		
Opening balance	27,663,384	30,800,164
Purchases	53,895,236	28,450,504
Sales	(55,675,821)	(30,555,065)
Unrealised investment result	(187,006)	574,980
Closing balance	25,695,793	29,270,583
<i>Forward contracts</i>		
Opening balance	(1,248,940)	203,525
Sales and expirations	(8,587,370)	1,389,498
Realised investment result	8,587,370	(1,389,498)
Unrealised investment result	255,816	(398,076)
Closing balance	(993,124)	(194,551)

2. Receivables

(all amounts in EUR)

	30-06-2020	31-12-2019
Other receivables		
Interest receivable	3	-
Prepaid legal owner fees	4,185	-
Closing balance	4,188	-

3. Cash

At 30 June 2020 and 31 December 2019, 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)

	2020	2019
Participations paid in surplus		
Opening balance	355,633,817	604,247,337
Subscriptions to redeemable shares	73,706,677	58,234,970
Redemption of redeemable shares	(21,861,561)	(366,427,233)
Closing balance	407,478,933	296,055,074
Undistributed income prior years		
Opening balance	(1,313,749)	(2,431,386)
Addition from undistributed result	22,744,277	1,117,637
Closing balance	21,430,528	(1,313,749)

(For the period 1 January through 30 June)

(all amounts in EUR)

Undistributed result

	2020	2019
Opening balance	22,744,277	1,117,637
Addition to undistributed income prior years	(22,744,277)	(1,117,637)
Result current year	(9,608,079)	14,166,056

Closing balance

(9,608,079)	14,166,056
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Total net assets value at reporting date

419,301,382	308,907,381
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Movement schedule of participations

(For the period 1 January through 30 June)

(in number of participations)

Outstanding participations

	2020	2019
Opening balance	3,385,660	5,828,749
Subscriptions to redeemable shares	676,583	548,778
Redemption of redeemable shares	(201,774)	(3,539,141)

Outstanding participations at reporting date

3,860,469	2,838,386
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5. Other liabilities

(all amounts in EUR)

	30-06-2020	31-12-2019
Interest payable	20,015	-
Management fees payable	103,132	94,290
Audit fees payable	12,815	15,263
Reporting fees payable	2,396	3,138
AIFMD fees payable	336	330
Supervision fees payable	24,379	23,823
Administration fees payable	2,816	1,890
Custodian fees payable	9,267	8,641
Other liabilities	5,288	5,286
Closing balance	180,444	152,661

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 2020 through ended 30 June 2020 amounts to EUR 599,203 (first half of 2019: EUR 421,470). 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. Legal Owner fees

TCS 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.

11. Interest expenses

The interest expenses of EUR 136,500 during the first half of 2020 have seen a fall compared to previous year EUR 213,354. This is due to changing interest rates.

12. 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.

13. 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 590,361 (first half of 2019: EUR 494,995) 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 2020 amounts to EUR 53,095,936 (31 December 2019: EUR 48,368,996).

14. Income and withholding tax

The Fund should be eligible for the status of a fiscal investment institution (fiscale beleggingsinstelling). This implies that profits realized are taxed at a zero percent corporate income tax rate, whereas the (mandatory) distribution of such profits to the Participants leads to an obligation for the Fund to withhold 15% dividend tax (subject to a specific payment credit mechanism for underlying withholding taxes, as further described in Section 12 of the Prospectus). During the period the average withholding tax rate incurred by the Fund was 2.6% (31 December 2019: 1.81%).

Other notes

15. 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.

16. Events after balance sheet date

Covid-19

At the time of writing this report the global economy continues to be under severe pressure caused by the effects of the COVID-19 pandemic (generally referred to as corona virus). Some recovery has occurred, but the outlook remains uncertain. There is clear uncertainty about the extent of this economic downturn. As such, there might be a further downward pressure on prices of various asset classes. Governments and central banks have already intervened on a large scale and have announced large fiscal and monetary stimulus packages. It is expected that they will continue to do so.

Based on current available information there are no continuity issues for the Fund or whatsoever.

17. Personnel

The Fund did not employ personnel during the period.

18. 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 before August 31 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 2020, the Fund will, if applicable, issue the FBI distribution to the Participants.

Amsterdam, 7 August 2020

Fund Manager
Privium Fund Management B.V.