SUPPLEMENT III TO THE PROSPECTUS OF PRIVUM SUSTAINABLE IMPACT FUND

This document constitutes supplement III ("**Supplement III**") to the prospectus of Privium Sustainable Impact Fund dated January 2019 (as supplemented by the supplements thereto dated 22 March 2019 and 31 July 2019) (the "**Prospectus**").

This Supplement III contains updated information relating to the Prospectus and shall be implemented in the updated version of the Prospectus. Until this information is implemented, this Supplement should be read in conjunction with the Prospectus. Defined terms have the same meaning as ascribed to them in the Prospectus. Any Prospectus information not supplemented herein or in previous supplements should be regarded as unchanged.

1. The section entitled "2. Definitions" in the Prospectus is amended by the addition of the following definitions:

"Article 9 fund": means funds as defined under Article 9(1), (2) and (3) of Regulation (EU) 2019/2088

"SASB": means the Sustainability Accounting Standards Board, an independent non-profit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors.

"SFDR": means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.

2. The section entitled "3. The investment Opportunity" is amended by addition of the following after section 3.2.1 Investment Tresholds:

3.2.2. Sustainability

The Fund has sustainable investment as its objective. In the context of the Sustainable Finance Disclosure Regulation (SFDR), the Fund is therefore classified as an Article 9 fund. Additional SFDR related disclosure regarding Article 9 can be found in a separate chapter of this Prospectus. Below, the details on how the Fund Manager considers the effects of material sustainability risks on the value of the Fund's investments in compliance with Article 6 of the SFDR can be found.

Sustainability risks are categorized into Environmental, Social or Governance (ESG) issues and may pose a material risk to the value of an investment.

Some examples of environmental risks are:

- Increased taxation on environmentally damaging activities
- Damage to production facilities due to global warming induced flooding
- Fines for mishandling of hazardous waste

Some examples of social sustainability risks are:

- Negative publicity and loss of contracts after poor handling of digital client data or security.
- Closer scrutiny of labor rights in the supply chain

- Dishonest marketing practices or product safety

Some examples of governance risks are:

- Increasing scrutiny on livable wages and earnings dispersion within a company
- Ethics bribery and corruption
- Anti-competitive behaviour

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 at a minimum the following topics:

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

Irrespective of whether the investee fund is subject to the SFDR, the exposure to sustainability risk is investigated. When the due diligence indicates that sustainability risks are not a sufficient part of an investee fund's investment policies, no investment in the fund will be made.

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.

<u>Monitoring of sustainability risks in the Fund</u>

On a monthly basis, the sustainability risk analysis 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. The most likely reason for this would be a significant change in the economic activity of the investment causing it to be moved to a different economic sector. A spin-out or acquisition of significant size relative to the market value of the investment could prompt this change. 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.

3. The section entitled "3. The investment Opportunity" is amended by addition of the following:

3.2.4 Article 9 SFDR classification of the Fund

Sustainable Objective of the Fund

The objective of the Fund is to achieve long term capital growth by making sustainable impact investments. 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".

Measurement of the objective

An established way to measure impact is to align the investment with the UN Sustainable Development Goals ("SDGs"), provided that such investments do no significant harm and follow good corporate governance practices. To identify how its investments are contributing to the SDGs, the activities of an investment are divided into economic sectors based on the definitions of the EU Taxonomy and the Sustainability Accounting Standards Board (SASB). Next, each category is grouped into an ESG theme and mapped to its relevant SDGs based on the definitions of the UN. The SDGs that an investment is mapped to will inform the indicators the investment is asked to report on at a minimum. As the Fund aims to make a broad impact, new themes and supported SDGs will be added when new investment projects targeting a different impact subset become available for the Fund to invest in.

Sustainable Investment Process

1. Investment process, impact target and reporting: Alignment with the impact investment objective of the Fund drives the initial screening of a potential investment. Investments that do not aim to significantly contribute to at least one SDG or cannot report on the Funds required indicators to quantify their contribution, are excluded from the investable universe.

2. Exclusion: As mentioned in paragraph 3.2 the Fund maintains a list of unwanted sectors and activities that the Fund will not directly invest in through the selection of investment funds, investee companies or other financial instruments. Additionally, the Fund requires of its investees a strong policy to monitor the activities of their subsequent clients and ultimate borrowers and avoid involvement with the above-mentioned sectors or activities as much as possible. Despite this, the possibility that the ultimate client of an investee might be involved in one of the mentioned sectors or activities cannot be fully excluded.

3. Do no significant harm: Dependent on the investment having an environmental or social objective (or both) and the economic sector it is active in, the Fund investigates the processes, policies, alignment with international conventions and transparency of the investment on relevant ESG risks and known issues in the sector. The Funds analysis combines material ESG risk research from SASB with the do no significant harm criteria of the EU Taxonomy to prioritize its investigation of the potentially harmful effects of a potential investment and inform its analysis.

4. Good governance: As a fund of funds, the Fund 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 Fund's investments 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 and any actions taken to mitigate them per 2023 in its annual report. The relevant indicators will be outlined in the prospectus. The Fund aims to report on all mandatory principal adverse impacts as outlined in the Regulation. However, as a fund of funds, the completeness of the Funds reporting will depend in part on the reporting of its underlying investments. In it's reporting, the Fund will indicate any missing or incomplete indicators and its efforts to towards full compliance.

4. The section entitled "4.2 Risks Relating to the Fund" is amended by addition of the following:

Sustainability risk

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 the investment or a longer-term impact on the operations or earnings capacity of the investment. The Fund has identified multiple sustainability risks, which may impact the value of its investments to a varying degree.

4. The section entitled "10.2.4 Other Information" is amended by addition of the following:

The sustainability risk integration disclosure of the Fund Manager and the principal adverse impacts disclosure of the Fund Manager are published on the Website of the Fund Manager.

Amsterdam, March 2021

Privium Fund Management B.V.	Stichting Juridisch Eigendom Privium Sustainable Impact Fund
Fund Manager	Legal Owner