

SEMI-ANNUAL REPORT

Privium Sustainable Impact Fund

Period ended 30 June 2021

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/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 Strozziilaan 101
1083 HN Amsterdam
The Netherlands

Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Key figures

| | 30-06-2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------------|-----------------|---------------|--------------|----------------|
| Total for the Fund | | | | | |
| (all amounts in EUR x 1,000) | | | | | |
| Net Asset Value at the reporting date | 593,419 | 500,998 | 377,064 | 602,934 | 324,077 |
| Result from investments | 7,346 | 9,931 | 6,263 | 10,382 | 5,560 |
| Changes in value | (2,025) | (23,764) | 15,946 | (5,508) | (11,936) |
| Other results | 2,155 | 3,758 | 2,374 | (555) | 2,074 |
| Costs | (1,496) | (2,381) | (1,839) | (3,201) | (1,569) |
| Net result for the period | 5,980 | (12,456) | 22,744 | 1,118 | (5,871) |
| Outstanding participations at reporting date | 5,441,613 | 4,641,932 | 3,385,660 | 5,828,749 | 3,061,794 |

Financial statements

Balance sheet

| (all amounts in EUR) | Notes | <u>30-06-2021</u> | <u>31-12-2020</u> |
|-----------------------------------|-------|---------------------------|---------------------------|
| Assets | | | |
| Investments | | | |
| Investment funds | 1 | 545,847,496 | 440,113,997 |
| Bonds | | 25,686,783 | 30,509,208 |
| Total of investments | | <u>571,534,279</u> | <u>470,623,205</u> |
| Receivables | | | |
| Due from broker | 2 | 70 | - |
| Other receivables | 3 | 4,260 | - |
| Total of receivables | | <u>4,330</u> | <u>-</u> |
| Other assets | | | |
| Cash | 4 | 22,832,564 | 33,417,839 |
| Total of other assets | | <u>22,832,564</u> | <u>33,417,839</u> |
| Total assets | | <u>594,371,173</u> | <u>504,041,044</u> |
| Liabilities | | | |
| Net asset value | | | |
| Participations paid in surplus | 5 | 578,464,480 | 492,023,618 |
| Undistributed income prior years | | 8,974,429 | 21,430,528 |
| Result current year | | 5,980,093 | (12,456,099) |
| Total net asset value | | <u>593,419,002</u> | <u>500,998,047</u> |
| Investments | | | |
| Forward contracts | 1 | 702,736 | 1,542,239 |
| Total of investments | | <u>702,736</u> | <u>1,542,239</u> |
| Other liabilities | | | |
| Subscriptions received in advance | | - | 1,250,000 |
| Other liabilities | 6 | 249,435 | 250,758 |
| Total other liabilities | | <u>249,435</u> | <u>1,500,758</u> |
| Total liabilities | | <u>594,371,173</u> | <u>504,041,044</u> |

Profit and loss statement

(For the period 1 January through 30 June)

| (all amounts in EUR) | Notes | <u>2021</u> | <u>2020</u> |
|--|-------|---------------------------|----------------------------|
| Investment result | | | |
| Dividend income | | 6,455,397 | 3,990,764 |
| Interest income | | 890,840 | 582,340 |
| Total investment result | | <u>7,346,237</u> | <u>4,573,104</u> |
| Revaluation of investments | | | |
| Realised results | | (12,427,145) | 9,598,412 |
| Unrealised results | | 10,401,824 | (21,902,594) |
| Total changes in value | | <u>(2,025,321)</u> | <u>(12,304,182)</u> |
| Other results | | | |
| Foreign currency translation | | 2,154,810 | (828,886) |
| Other income | | - | 104,932 |
| Total other results | | <u>2,154,810</u> | <u>(723,954)</u> |
| Operating expenses | | | |
| Management fee | 7 | (834,550) | (599,203) |
| Administration fees | 8 | (93,774) | (68,379) |
| Custody expenses | 9 | (65,308) | (54,872) |
| Depositary fees | 10 | (45,295) | (32,725) |
| Interest expenses | 12 | (86,657) | (136,500) |
| Brokerage fees and other transaction costs | | (207,893) | (84,928) |
| Audit fees | 13 | (7,952) | (7,632) |
| Supervision fees | | (17,471) | (48,912) |
| Tax advisory fees | | (1,585) | (11,926) |
| Other expenses | | (4,443) | (4,338) |
| | | <u>(1,364,928)</u> | <u>(1,049,415)</u> |
| Result for the year before tax | | <u>6,110,798</u> | <u>(9,504,447)</u> |
| Withholding tax | 15 | (130,705) | (103,632) |
| Net result for the year after tax | | <u>5,980,093</u> | <u>(9,608,079)</u> |

Cash flow statement

(For the period 1 January through 30 June)

| (all amounts in EUR) | Notes | <u>2021</u> | <u>2020</u> |
|--|-------|---------------------------------|---------------------------------|
| Cash flow from operating activities | | | |
| Purchases of investments | | (170,986,248) | (112,464,956) |
| Proceeds from sales of investments | | 67,210,280 | 65,274,263 |
| Dividend received | | 6,324,692 | 3,887,132 |
| Interest received | | 890,840 | 582,337 |
| Other income received | | - | 104,932 |
| Interest paid | | (94,721) | (116,485) |
| Operating expenses paid | | (1,275,790) | (909,332) |
| Net cash flow from operating activities | | <u>(97,930,947)</u> | <u>(43,642,109)</u> |
| Cash flow from financing activities | | | |
| Proceeds from subscriptions to redeemable shares | | 101,157,588 | 73,706,677 |
| Payments for redemption of redeemable shares | | (15,966,726) | (21,861,561) |
| Net cash flow from financing activities | | <u>85,190,862</u> | <u>51,845,116</u> |
| Net cash flow for the year | | <u>(12,740,085)</u> | <u>8,203,007</u> |
| Cash at beginning of the year | | 33,417,839 | 33,613,516 |
| Foreign currency translation | | 2,154,810 | (828,886) |
| Cash at the end of the year | 4 | <u><u>22,832,564</u></u> | <u><u>40,987,637</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.

The 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.

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 disclosure regarding Article 9 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. During the first half of 2021 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 2021 the Fund has not applied any such discounts.

Accounting policies

General

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 2021 are the same as the accounting principles used for the annual report 2020.

All figures in this semi-annual report are denoted in euro's, unless stated otherwise. The reporting period extends from 1 January 2021 through 30 June 2021.

Notes to the balance sheet

1. Investments

(all amounts in EUR)

| | 30-06-2021 | 31-12-2020 |
|---------------------------------------|--------------------|--------------------|
| Investment funds | 545,847,496 | 440,113,997 |
| Bonds | 25,686,783 | 30,509,208 |
| Forward contract Short | (702,736) | (1,542,239) |
| Position as per reporting date | 570,831,543 | 469,080,966 |

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 | 440,113,997 | 317,189,016 |
| Purchases | 103,318,261 | 58,569,720 |
| Sales | (11,137,539) | (1,011,042) |
| Realised investment result | 1,522,243 | 1,011,042 |
| Unrealised investment result | 12,030,534 | (21,971,404) |
| Closing balance | 545,847,496 | 353,787,332 |
| <i>Bonds</i> | | |
| Opening balance | 30,509,208 | 27,663,384 |
| Purchases | 67,667,987 | 53,895,236 |
| Sales | (72,599,443) | (55,675,821) |
| Realised investment result | 2,577,244 | - |
| Unrealised investment result | (2,468,213) | (187,006) |
| Closing balance | 25,686,783 | 25,695,793 |
| <i>Forward contracts</i> | | |
| Opening balance | (1,542,239) | (1,248,940) |
| Sales and expirations | 16,526,632 | (8,587,370) |
| Realised investment result | (16,526,632) | 8,587,370 |
| Unrealised investment result | 839,503 | 255,816 |
| Closing balance | (702,736) | (993,124) |

2. Due from brokers

The amount for due from broker consists of balances at brokers on which no restrictions on the use exist at 30 June 2021 and 31 December 2020.

3. Receivables

(all amounts in EUR)

| | 30-06-2021 | 31-12-2020 |
|---|-------------------|-------------------|
| Receivables | | |
| Prepaid legal owner fees | 4,260 | - |
| Balance at the end of the period | 4,260 | - |

4. Cash

As of 30 June 2021 and 31 December 2020, no restrictions on the use of cash exist.

5. 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)

| | 2021 | 2020 |
|---|--------------------|--------------------|
| Participations paid in surplus | | |
| Opening balance | 492,023,618 | 355,633,817 |
| Subscriptions to redeemable shares | 102,407,588 | 73,706,677 |
| Redemption of redeemable shares | (15,966,726) | (21,861,561) |
| Closing balance | 578,464,480 | 407,478,933 |
| Undistributed income prior years | | |
| Opening balance | 21,430,528 | (1,313,749) |
| Addition from undistributed result | (12,456,099) | 22,744,277 |
| Closing balance | 8,974,429 | 21,430,528 |

(For the period 1 January through 30 June)

(all amounts in EUR)

Undistributed result

| | 2021 | 2020 |
|--|--------------|--------------|
| Opening balance | (12,456,099) | 22,744,277 |
| Addition to undistributed income prior years | 12,456,099 | (22,744,277) |
| Result current year | 5,980,093 | (9,608,079) |

Closing balance

| | |
|------------------|--------------------|
| 5,980,093 | (9,608,079) |
|------------------|--------------------|

Total net assets value at reporting date

| | |
|--------------------|--------------------|
| 593,419,002 | 419,301,382 |
|--------------------|--------------------|

Movement schedule of participations

(For the period 1 January through 30 June)

(in number of participations)

Outstanding participations

| | 2021 | 2020 |
|------------------------------------|-------------|-------------|
| Opening balance | 4,641,932 | 3,385,660 |
| Subscriptions to redeemable shares | 947,357 | 676,583 |
| Redemption of redeemable shares | (147,676) | (201,774) |

Outstanding participations at reporting date

| | |
|------------------|------------------|
| 5,441,613 | 3,860,469 |
|------------------|------------------|

6. Other liabilities

(all amounts in EUR)

| | 30-06-2021 | 31-12-2020 |
|-----------------------------|-------------------|-------------------|
| Interest payable | 12,637 | 20,701 |
| Management fees payable | 146,359 | 127,335 |
| Audit fees payable | 12,712 | 15,263 |
| Reporting fees payable | 2,434 | 2,859 |
| AIFMD fees payable | 341 | 336 |
| Supervision fees payable | 15,631 | 31,998 |
| Administration fees payable | 4,921 | 3,726 |
| Custodian fees payable | 14,247 | 10,364 |
| Depositary fees payable | 563 | - |
| Withholding tax payable | 34,302 | 32,888 |
| Other liabilities | 5,288 | 5,288 |

Balance at the end of the period

| | |
|----------------|----------------|
| 249,435 | 250,758 |
|----------------|----------------|

Notes to the profit and loss statement

7. 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 2021 through ended 30 June 2021 amounts to EUR 834,550 (first half of 2020: EUR 599,203). 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.

8. 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.

For the preparation of the Fund's annual and semi-annual financial statements, the Administrator will charge an annual fixed fee of four thousand Euros (EUR 8,000) (excluding VAT).

For FATCA related services, the Administrator will charge the Fund an annual fixed fee of one thousand Euros (EUR 1,000) (excluding VAT) based on a total twenty (20) Unitholders. For each additional Unitholder, an additional fee of fifty Euros EUR (50) shall apply. For Annex IV reporting related services, the Administrator will charge the Fund an annual fixed fee of two thousand Euros (EUR 2,000) per report.

9. Custody expenses

The Fund has appointed ABN AMRO Clearing Bank N.V. as custodian to the Fund. The custodian 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.

10. 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.

11. 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.

12. Interest expenses

The interest expenses of EUR 86,657 during the first half of 2021 have seen a fall compared to the previous first half of the year EUR 136,500. The fall is attributable to a lower cash position of the Euro account of ABN Clearing N.V.

13. Audit fees

The audit fees relates solely to the audit of the annual financial statements. The Independent Auditor will also be asked to provide assurance whenever there is an update of the Prospectus of the Fund.

14. 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 815,526 (first half of 2020: EUR 590,361) 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 2021 amounts to EUR 73,046,218 (31 December 2020: EUR 54,555,017).

15. 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 period the average withholding tax rate incurred by the Fund was 2.02% (First half of 2020: 2.60%).

Other notes

16. Core business and delegation

The following key tasks have been delegated by the Fund Manager:

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 8.

17. Events after balance sheet date

There were no significant events after the balance sheet date.

18. Personnel

The Fund did not employ personnel during the period.

19. 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.

Amsterdam, 12 August 2021

Fund Manager
Privium Fund Management B.V.