DIF | CAPITAL PARTNERS

DIF Infrastructure Yield I Coöperatief U.A.

Annual report 2020

Strictly Private & Confidential

DIF Infrastructure Yield I Coöperatief U.A.
Schiphol Boulevard 269,
Tower D, 10th floor
1118 BH Schiphol
The Netherlands
+31(0)20 717 3151
info@dif.eu
www.dif.eu

Chamber of commerce: 68365667

Contents

Composition of Committees and Management

DIF Management B.V.

- W. Blaasse, statutory director
- R.J. Doekes, statutory director

Monitoring committee

- 2 representatives of Stichting Depositary APG Infrastructure Pool 2017 II
- 1 representative of DIF Management B.V.

Executive Committee

- W. Blaasse
- R.J. Doekes
- A.L. Roshier
- A. Ruijs
- A.M. Snel-Simmons
- T. Vieillescazes
- G.J. Voskuyl

REPORT OF OPERATIONS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

(Before result appropriation)

As at December 31 (In EUR thousands)	**Notes**	**2020**	**2019**
Investments			
Participating interests	1	775,711	812,614
Investments		**775,711**	**812,614**
Current assets			
Receivables	2	1,715	3,657
Other assets			
Cash	3	13,428	7,188
Current and other assets		**15,143**	**10,845**
Total assets		**790,854**	**823,459**
Current liabilities			
Payables and other current liabilities	4	(21,556)	(905)
Current liabilities		**(21,556)**	**(905)**
Non-current liabilities			
Loans from related parties	5	(435,680)	(441,902)
Non-current liabilities		**(435,680)**	**(441,902)**
Total net assets		**333,618**	**380,652**
Net assets attributable to Investors			
Net assets attributable to Investors	**6**	**333,618**	**380,652**

Consolidated income statement

For the year ended December 31 (In EUR thousands)	Notes	2020	2019
Income			
Income from participating interests	7	47,135	50,144
Unrealised net change in fair value of participating interests	1	(49,110)	27,414
Total income		**(1,975)**	**77,558**
Operating expenses	8		
Management fee		(3,469)	(2,837)
Compliance		(178)	(58)
Other operating expenses		(1,940)	(1,980)
Total operating expenses		**(5,587)**	**(4,875)**
Operating income		**(7,562)**	**72,683**
Financial results			
Interest income / (expenses)	9	(37,321)	(47,210)
Foreign currency exchange and other results	10	(204)	428
Total financial income / (expenses)		**(37,525)**	**(46,782)**
Profit / (loss) before taxation		**(45,087)**	**25,901**
Tax	11	294	275
Net profit / (loss)		**(44,793)**	**26,176**

Consolidated cash flow statement

For the year ended December 31 (In EUR thousands)	2020	2019
Investment activities		
Operating income	(7,562)	72,683
Adjustments for:		
▪ Net change in fair value participating interests	49,110	(27,414)
▪ Tax income / (expense)	294	275
▪ Currency exchange and other results	(204)	438
▪ Financial income / (expense)	(37,321)	(47,210)
Total adjustments	11,879	(73,911)
Changes in working capital:		
▪ (Increase) / decrease current assets	1,942	(2,507)
▪ Increase / (decrease) current liabilities	20,651	(535)
▪ Interest accrued on debt contributions	37,318	47,210
Total changes in working capital	59,911	44,168
Investments in participating interests	(12,207)	(293)
Cash flow from investment activities	**52,021**	**42,647**
Financing activities		
Capital contributions	-	-
Capital repayments	(2,241)	(8,355)
Debt contributions	-	-
Debt repayments	(43,540)	(38,585)
Cash flow from financing activities	**(45,781)**	**(46,940)**
Net increase / (decrease) in cash	**6,240**	**(4,293)**
Cash January 1	7,188	11,481
Net increase / (decrease) in cash	6,240	(4,293)
Cash December 31	**13,428**	**7,188**

Notes to the consolidated financial statements

General information

DIF Infrastructure Yield I Coöperatief U.A. forms, together with Stichting DIF Yield I, the DIF Yield I Fund (the 'Fund'). Investors participate in the Fund through DIF Infrastructure Yield I Coöperatief U.A. (hereafter referred to as 'DIF Yield Coop', or the 'Cooperative'), incorporated on March 23, 2017, having its registered office in Schiphol, and Stichting DIF Yield I (hereafter referred to as 'DIF Yield Stichting'), incorporated on March 23, 2017, having its registered office in Schiphol. DIF Yield Coop and DIF Yield Stichting are collectively referred to as the 'Fund'. DIF Yield Coop qualifies as an Alternative Investment Fund (AIF).

The first and final closing of the Fund took place on September 19, 2017, bringing the total Fund commitment to EUR 745.7 million. The Fund has a tenor of 10 years. The financial year-end is December 31.

The Manager of the Fund is DIF Management B.V., which is based in Schiphol, the Netherlands.

The Cooperative is the head of the Group, which consists of the Group Companies, directly or indirectly held, as per 31 December 2020:

DIF A63 Luxembourg S.à r.l.	100%
DIF Infra Yield 1 Finance B.V.	100%
DIF Infra Yield 1 Ireland Limited	100%
DIF Infra Yield 1 Luxembourg S.à r.l.	100%
DIF Infra Yield 1 PPP Luxembourg S.à r.l.	100%
DIF Infra Yield 1 RE Luxembourg S.à r.l.	100%
DIF Infra Yield 1 UK Limited	100%
DIF Infrastructure II France S.A.S.	100%
DIF Infrastructure II UK Partner Limited	100%
DIF TGI Luxembourg S.à r.l.	100%

Significant accounting principles

Basis of preparation

The consolidated financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code, the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board and in accordance with the requirements set with regard to the financial statements by or pursuant to the Dutch Financial Supervision Act ('*Wet op het Financieel toezicht*').

The consolidated financial statements include the financial data of the Cooperative and its Group Companies at December 31. Group Companies are legal entities and companies over which the Cooperative exercises control. Group Companies are fully consolidated as from the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are determined in accordance with the accounting policies.

The financial information of Group Companies is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

The Cooperative applies for the participation exemption for non-consolidation of the investments in participating interests held by the Cooperative. The financial statements have been prepared on a going concern assumption, taking into account the exit strategy of the Fund.

Going concern

The accounting policies used are consistent with the previous year and prepared on a going concern basis. The Cooperative, through its intermediate holding companies, holds investments in participating interests (or 'Projects'), which periodically yield typically interests, loan repayments and dividends. In the long run, it is expected that the cash flow yield from its investments cover the Cooperative's expected cash flow requirement for overhead costs. Certain risks and uncertainties have been considered by the RCC, and the ExCo concluded that these do not represent a significant threat to the Cooperative.

The board of directors of the Manager, at the time of approving the financial statements, are satisfied that the Fund has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Thus, they continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Investments

Investments in participating interests that enable the Cooperative to exert significant influence or through which the Cooperative does not exert significant influence are both measured at fair market value.

The fair market value of the participating interests is determined quarterly. The fair value of the underlying participating interests is based on the most recent information available (typically previous quarter) adjusted for the actual cash flows that occurred up until and including the reported date. The fair value of the participating interests is determined by using standard valuation techniques. The Cooperative uses the income approach which discounts the expected cash flows attributable to each asset at an appropriate discount rate to arrive at fair values. In determining the discount rate, regard is given to relevant country specific ratings, the specific risks of each investment, recentness of updated information disclosures and the evidence of recent transactions.

Judgement is applied in arriving at the appropriate discount rate for each investment based on the Manager's knowledge of the market, taking into account intelligence gained from bidding activities, discussions with financial advisers knowledgeable in these markets and publicly available information on relevant transactions. The discount rates used for valuing each investment vary on an investment-by-investment basis and take into account risks and opportunities associated with the investment earnings (e.g. predictability and covenant of the concession income), all of which may be differentiated by investment phase, jurisdiction and market participants' appetite for these risks.

Participating interests are recognised in the Investments assets of the Cooperative as per the initial financial closing date period of the investment. Third-party costs directly related to acquiring an investment are capitalised in the initial cost price of the investment.

Net changes in the fair value of the participating interests are recognised in the income statement and are determined as the difference between the fair value at the balance date and the fair value as at the prior balance date. If applicable, the results for exits are determined by the difference between sales proceeds and the initial cost price of the participating interests.

Cash

Cash represents cash in hand, bank balances and call and short-term deposits. Negative balances at a bank in one currency are netted with positive balances in other currencies when legally enforceable, contractually agreed and settled on a net basis. Cash is stated at face value.

Receivables

Receivables are recognised for amounts where settlement has not yet occurred. Receivables are measured at their nominal amounts. An allowance for doubtful debts is made when there is objective evidence that the Cooperative will not be able to collect the debts. Bad debts are written off when identified less any allowance for doubtful debts. Given the short-term nature of most receivables, their nominal amounts approximate their fair value.

Payables

Payables are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Cooperative. Payables and capital call facility are measured at their nominal amounts. Given the short-term nature of most payables, their nominal amounts approximate their fair value.

Loans from related parties

Loans from related parties are provided on varying terms and interest rates with maturity dates from 7 to 20+ years and interest rates of up to 14% per annum. The terms are documented in the loan agreements. The interest accrued on the loans are included in the loan balance and the loans are valued at amortized cost. The interest income (expense) is charged to the Income Statement on an accrual basis.

Net assets attributable to Investors

Net assets attributable to members ('Investors') is in Euro ('EUR'), which is the functional currency of the Cooperative.

A revaluation reserve is formed in case there is a positive cumulative unrealised change in fair value in comparison to the cost price. In case of a negative difference, the amount is charged to the accumulated results. As the Cooperative's strategy is to manage the investments in participating interests as a single asset portfolio the cumulative change in fair value of the participating interests is recorded in equity on a net basis.

Foreign currency exchange and other results

The consolidated financial statements are expressed in Euro, which is also the functional currency of the Cooperative, and the presentation currency for the financial statements.

In preparing the consolidated financial statements of the Cooperative, transactions in currencies other than the entity's functional currency ("Foreign Currencies") are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in Foreign Currencies are re-translated at the rates prevailing at that date; exchange rate effects are recognised immediately in the income statement. Non-monetary items carried at fair value that are denominated in Foreign Currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Other results include gains/losses arising due to the disposal of Group Companies during the year.

Income from participating interests

Project income refers to the total sum of dividends from participating interests and interest income and repayments from subordinated loans to participating interests. Project income is recognised in the Income statement at the date of receipt. Up to the date of actual cash receipt, the dividend and / or interest and / or repayment amounts, which are probable to be received, are included as part of the future cash flows as a basis for the fair value calculation of investments in participating interests. Other fees include mainly Letter of Credit ('LC') fee income, and Directors' fee and management services, which are amounts charged to participating interests for services delivered, taking into account discounts and value added tax.

Unrealised net change in fair value of participating interests

Net changes in the fair value of the participating interests are recognized in the Income statement and are determined as the difference between the fair value at the balance sheet date and the fair value as at the prior balance sheet date, taking into account investments and divestments.

Expenses

All expenses are accounted for on an accrual basis. The Cooperative's management fees, participating interests' advisory and exit costs and all other expenses are charged through the Income statement.

Interest income and expenses

Interest income and expenses are mainly related to accrued interest on debt contributed by Stichting DIF Yield I.

Income tax

Income tax is calculated on the profit before tax, using the standard rate and taking into account tax relief such as substantial shareholder exemption.

A deferred tax asset is recognised for carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off.

Notes to the cash flow statement

The cash flow statement is prepared based on the indirect method. Cash recognized in the cash flow statement consists of cash. Cash flows from Group Companies with a different functional currency than the euro are included at the rate that is used for translation in the consolidated Income statement and balance sheet respectively. Exchange differences due to exchange rate fluctuations between December 31 of the previous financial year and December 31 of the reporting year are included on the respective line in the cash flow statement.

Notes to the consolidated balance sheet

(In EUR thousands)

1. Participating interests

The composition of the investments in participating interests is as follows:

	Fair value 2020	Cost price 2020	Fair value 2019	Cost price 2019
Participating interests	775,711	763,948	812,614	751,741
Total participating interests	**775,711**	**763,948**	**812,614**	**751,741**

The movement and breakdown in investments in participating interests can be specified as follows:

	2020	2019
Participating interests at January 1	**812,614**	**784,907**
Investments in participating interests	12,207	293
Unrealised net change in fair value of participating interests	(49,110)	27,414
Participating interests at December 31	**775,711**	**812,614**
Cost price of participating interests	763,948	751,741
Cumulative unrealised change in fair value of participating interests	11,763	60,873
Participating interests at December 31	**775,711**	**812,614**

The unrealised net change in fair value of participating interests mainly relates to a drop in the GBP foreign currency exchange rate between December 31, 2020, and December 31, 2019. Other items that have impacted the unrealised net change in fair value relate to project distributions and project model updates, partly compensated by the time value of money.

The fair value of participating interests is determined periodically using valuation techniques. In determining the fair value the priority of the valuation techniques is defined as follows:

- **Technique I**
  Quoted prices (unadjusted) in active markets for identical participating interests, including recent transactions by the Fund itself;

- **Technique II**
  Inputs other than quoted prices included within technique I that are observable for the participating interests, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, binding offers received by the Fund;

- **Technique III**
  Inputs for the participating interests that are not based on observable market data (unobservable inputs); and

- **Technique IV**
  Another applicable valuation method in case a specific situation would allow for or require this different method, that would not be covered in techniques I-III and on which the Manager will explicitly report in case used.

For the technique III-based fair value calculations, the Cooperative uses the income approach which discounts the expected cash flows attributable to each asset at an appropriate discount rate to arrive at a fair value. In determining the discount rate, regard is taken to relevant country specific ratings, the specific risks of each investment and the evidence of recent transactions.

Judgement is used in arriving at the appropriate discount rate for each investment based on the Manager's knowledge of the market, taking into account intelligence gained from bidding activities, discussions with financial advisers knowledgeable in these markets and publicly available information on relevant transactions. The discount rates used for valuing each investment in participating interests vary on an investment-by-investment basis and take into account risks and opportunities associated with the investment earnings (e.g. predictability and covenant of the concession income), all of which may be differentiated by investment phase, jurisdiction and market participants' appetite for these risks.

The discount rates used in the valuation of the Fund's portfolio are based on the current market situation. The Manager deems the discount rate as one of the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the participating interests' fair value.

	Discount rate range	
Sector	**min**	**max**
Infrastructure	4.8%	9.0%
Renewable Energy	7.0%	7.2%
Operational	**4.8%**	**9.0%**

The valuation is determined using the discounted cash flow methodology. The cash flows forecast to be received by the Fund or its subsidiaries, generated by each of the underlying participating interests, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using project specific discount rates. The valuation methodology remains unchanged from previous reporting periods. Besides the discount rates, the Fund uses and reviews other key assumptions for the cash flows, as presented in the table below. Other than these key assumptions the Manager usually uses external parties to update for other, mostly more project-specific, assumption updates based on actuals or external studies for determining the future cash flows.

Discount rate sensitivity

The discount rates used for individual assets range between 4.8% and 9.0%. The value weighted average rate is approximately 7.2% (2019: 7.2%). This methodology calculates the weighted average based on the value of each project in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

The following table shows the sensitivity of the net asset value to a change in the discount rate:

	Discount increase by 1% point	**Discount decrease by 1% point**
In EUR (millions)	Change in net profit/NAV	Change in net profit/NAV
December 31, 2020	(67.3)	78.2
December 31, 2019	(72.7)	84.9

Foreign currency rate sensitivity

A proportion of the Fund's underlying investments are denominated in currencies other than the Euro. The Fund maintains its accounts and prepares the valuation in Euro. Accordingly, fluctuations in exchange rates between the Euro and relevant local currencies will affect the value of the Fund's underlying investments.

The foreign currency exchange rates at December 31 are as follows:

	2020	**2019**
GBP	0.90215	0.85492

The following table shows the sensitivity of the fair value of the participating interests due to a change in foreign currency exchange rates compared to the rates at reporting dates:

	FX rate increase by 10%	FX rate decrease by 10%
In EUR (millions)	Change in net profit/NAV	Change in net profit/NAV
December 31, 2020	(30.7)	30.7
December 31, 2019	(34.2)	34.2

Fair value (in EUR millions)	EUR	GBP
December 31, 2020	469.2	306.5
December 31, 2019	470.9	341.7

As per December 31, 2020, the Fund's portfolio comprised investments in the following participating interests, directly or indirectly held, with the following economic ownership percentages:

Project	Country	Economic ownership percentage
A15	Netherlands	24.00%
A63	France	17.30%
Amey Bradford	United Kingdom	23.91%
Angouleme	France	81.00%
Avon & Somerset	United Kingdom	19.00%
Barts Hospital	United Kingdom	12.50%
Belfast	United Kingdom	95.00%
Belfort	France	85.00%
C Vehicles	United Kingdom	47.50%
Campigny	France	100.00%
Canton de Quesnoy	France	100.00%
DBFO2	United Kingdom	97.50%
Delfluent	Netherlands	45.50%
Dörenberg	Germany	100.00%
Dumfries & Galloway (E4D&G)	United Kingdom	80.75%
Dundalk	Ireland	33.33%
DUO	Netherlands	24.00%
Eupen	Belgium	62.00%
Finsterwalde	Germany	50.00%
French Solar: Amadousol, Gabardan 2 & 5	France	100.00%
Galerne	France	100.00%
Harrow Schools	United Kingdom	100.00%
Heede	Germany	100.00%
Herts Ellenbrook	United Kingdom	100.00%
Hohenseefeld	Germany	100.00%
HPCP1: Green Yellow 3, 3C, 4	France	85.00%
Irish Schools 2	Ireland	100.00%
ISE School	Netherlands	100.00%

Project	Country	Economic ownership percentage
Knoop	Netherlands	80.00%
Kromhout	Netherlands	30.00%
London Fire Stations	United Kingdom	50.00%
M25	United Kingdom	8.00%
Manchester Street Lighting	United Kingdom	47.50%
Montaigne	Netherlands	80.00%
Noord Zuid Kempen	Belgium	50.01%
Norfolk Street Lighting	United Kingdom	95.00%
Oresmaux	France	100.00%
Pouillé-les-Côteaux	France	100.00%
Remlingen	Germany	100.00%
Renfrewshire	United Kingdom	33.25%
Sathonay	France	95.00%
Stelplaatsen 1	Belgium	91.00%
TGI	France	37.78%
Tricomm Housing Portsmouth	United Kingdom	100.00%
Wakefield Street Lighting	United Kingdom	47.50%
Wawern	Germany	100.00%
Wehrhain	Germany	100.00%
Wiesmoor	Germany	100.00%

Covid-19 impact

Once the global outbreak and corresponding economic fall-out of Covid-19 became apparent during the course of Q1 2020 the Manager took immediate steps to mitigate the negative financial impact on the Fund's participating interests. To that end, the Manager conducted an extensive review of the Virus' potential impact on the operations, liquidity and solvency of each asset in the Fund. Each asset was classified into a high risk, medium risk or low risk category based on a qualitative and quantitative assessment of such factors as project availability, financial resiliency, 2020 distribution budget impact, revenue impact, cost impact, business continuity, and where applicable, upside opportunities (such as locking in low interest rates for variable rate loans).

For the Fund, only 2 out of 46 projects were identified as having heightened risk. Furthermore, the Manager estimated the Covid-19 negative value impact at the end of Q1 at below 2% of Fund size, which led the Manager to conclude that overall, the impact on the portfolio was relatively limited. Over the course of the year, the Manager continued to monitor the situation closely, adjusting risk categories where applicable.

Given that the financial and economic impact of Covid-19 is expected to last into 2021 and thereafter, and since as per the end of the 2020, both projects were still flagged as at risk, the Manager has completed another review of the financial models of a number of assets affected by Covid-19. This review included an update to GDP and other macroeconomic growth expectations, which the Manager has based on the 'base line' forecasts issued by Oxford Economics.

The GDP forecasts, which are utilised to forecast demand for volume projects, assume a relatively slow recovery over the course of 2021 with GDP persistently lagging pre-Covid-19 levels by 3%. Inflation rates for 2021 are generally expected to be 100-200 basis points lower than forecasted last year, with the forecasts generally converging again as from 2025 onwards. Deposit rates are generally assumed to be persistently lower, with near-term deposit rate forecasts negative for the Euro-zone and 100-200 basis points lower for most other countries, with the long-term outlook generally down 0-100 basis points.

2. Receivables

	2020	2019
Accounts receivable	1,042	387
Amounts owed from related parties	509	3,215
Taxes	164	55
Total receivables	**1,715**	**3,657**

Accounts receivable from project companies relate to amounts charged to project companies in relation to director fees and group tax relief. Taxes consist of prepaid income tax in France and a group tax relief receivable in the United Kingdom.

The composition of amounts owed from related parties is as follows:

	2020	2019
DIF Infra JV UK Limited	187	110
Turramurra Designated Activity Company	165	12
Dundalk Roads Limited	67	1,746
EGIS Investments Partners SCA SiCAR - M25 Compartment	56	56
Eoliennes Pouillé les Coteaux SNC	23	685
SECE.OR SCS	11	12
Sthichting DIF Yield I	-	180
Tricomm Housing (Portsmouth) Limited	-	140
Harrow Community Schools PFI Limited	-	135
Amey Highways Lighting (Manchester) Limited	-	106
Services Support (Avon & Somerset) Limited	-	33
Total amounts owed from related parties	**509**	**3,215**

All amounts owed from related parties are free of interest. The amounts owed from related parties consist of cash advances made to the project companies (e.g. to be able to pay accounts payable invoices in those companies) and to income recognised in the Fund for which the cash has not been received at year-end into the Group, hence the receivable position. The 2019 receivable on Dundalk Roads Limited has been settled in cash during 2020. The 2019 receivable on Eoliennes Pouillé les Coteaux SNC has been converted into an equity contribution during 2020.

3. Cash

	2020	2019
Bank accounts	13,428	7,188
Total cash	**13,428**	**7,188**

Cash at bank at December 31, 2020 and 2019 is at the Cooperative's free disposal.

4. Payables and other current liabilities

	2020	2019
Creditors	448	448
Amounts owed to related parties	20,333	34
Accrued expenses	462	179
Taxes	313	244
Other current liabilities	-	-
Total payables and other current liabilities	**21,556**	**905**

Creditors per year-end 2020 mainly relate to recent advisory services in relation to the investment portfolio, legal advisory and a payable to the French tax authority. Accrued expenses relate to 2020 services provided in relation to the independent valuation of the investment portfolio, audit, legal and accounting services.

The composition of amounts owed to related parties is as follows:

	2020	2019
Stichting DIF Yield I	19,963	-
DIF Infra Yield 1 France Solar S.A.S.	339	-
The Renfrewshire Schools Partnership Limited	20	-
DIF Management B.V.	11	24
DIF Infra 3 UK Limited	-	7
DIF Management Spain S.L.	-	3
Total amounts owed to related parties	**20,333**	**34**

Amounts owed to related parties are free of interest. The amount owed to Stichting DIF Yield I relates to loan and interest repayments that have been recognised but not paid at year-end. The amount will be settled during 2021. The amount owed to DIF Infra Yield 1 France Solar S.A.S. consists of cash advances received from the project company for future payments to the French tax authority in relation to the fiscal unity. The amount owed to The Renfrewshire Schools Partnership Limited relates to director fee income received in advance. The amount owed to the Manager consists of (a portion of) 20Q4 management fee payable.

5. Loans from related parties

	2020	2019
Stichting DIF Yield I	435,680	441,902
Total loans from related parties	**435,680**	**441,902**

The movement in loans from Stichting Yield I can be specified as follows:

	2020	2019
Loans from related parties at January 1	**441,902**	**432,804**
Adjustment in loan balance	-	473
Loan drawdowns	-	-
Loan repayments	(43,540)	(38,585)
Interest accrued	37,318	47,210
Loans from related parties at December 31	**435,680**	**441,902**

Loans from related parties are owed to Stichting Yield I and include accrued interest. The loans are provided on varying terms and interest rates with maturity dates from several to 20+ years and interest rates of up to 14% per annum.

6. Net assets attributable to Investors

The movements in net assets attributable to Investors are disclosed in the notes of the Cooperative financial statements.

Proposed treatment of the result

It will be proposed to the Investors, during the Annual General Meeting, to add the result to the retained earnings. The provisions governing the appropriation of profit are set out in the Articles of Association provisions governing appropriation of profit and the Fund Agreement.

Off-balance sheet items and contingent liabilities

Guarantee and audit exemption United-Kingdom Group Companies

The Cooperative will provide a financial guarantee to Companies House in the United Kingdom to support all liabilities of the following subsidiaries, incorporated in the United Kingdom for the year ending December 31, 2020.

- DIF Infrastructure II UK Partner Limited, United Kingdom – Company number 06760507
- DIF Infra Yield I UK Limited, United Kingdom – Company number 06756556

As a result, and in accordance with the requirement of section 479A of the United Kingdom Companies Act of 2006, the subsidiaries intend to apply to Companies House for an exemption from audit, for their financial year ending December 31, 2020 with approval of all their shareholders.

Related parties

Within the framework of the financial statements, related parties are defined as entities that are wholly or partly owned by the same shareholder (not being an Investor). Potentially qualifying as related party is DIF Management B.V. (the Manager) and / or its affiliates and other funds managed by DIF Management B.V. and / or its affiliates, including their Group Companies and Group Companies of the Fund which are not included in the accounts.

The Cooperative entered into transactions with the related parties listed in the respective notes under current assets and liabilities.

Except for the amounts owed from and owed to related parties disclosed in the respective current item notes and any related transactions settled during the year, there were no transactions with other related parties.

Financial instruments and risk management

General

The information included in the notes for financial instruments is useful in estimating the extent of risks relating to both on-balance-sheet and off-balance-sheet financial instruments.

The Fund's primary financial instruments directly arise from its investing activities in participating interests. The Fund's policy is not to trade in financial instruments. The principal risks arising from the Fund's financial instruments are:

- Credit risk
- Liquidity risks
- Market risk
- Fair value risk

Market risk includes foreign currency exchange rate risk, interest rate risk, inflation risk and tax policy risks. The Fund's policy to mitigate these risks is set out below.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in:

- Impairment or reduction in the amounts recoverable from receivables and other current assets; and
- Non-recoverability, in part or in whole, of cash deposited with banks.

Recoverable amounts of receivables and other current and non–current assets

The Fund establishes when necessary an allowance for impairment that represents its estimate of any potential losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that may have been incurred but are not yet identified. The collective loss allowance is determined based on historical data of payment related to such receivables. Currently there are no recorded allowances for impairment. All the Fund's receivables are collectable and no significant amounts are considered as overdue or impaired.

Cash

Cash is maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Manager. Based on assessment of the Management Board, there are no significant credit risks related to the cash maintained.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund's policy regarding liquidity risk is that it will seek to have sufficient liquidity to meet its liabilities and obligations when due. Responsibility for liquidity risk management rests with the Manager. The Fund manages liquidity risk by maintaining adequate reserves, deposits and banking facilities and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities, including additional Covid-19 liquidity analyses of the underlying projects, updated for and reflected in the project model valuations (Note 1, participating interests) in case Covid-19 has had any liquidity or other financial impact on the respective projects.

Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates, interest rates and equity prices, will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

The Fund buys derivatives instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within certain internal guidelines and meet the Fund's hedging policy.

Currency risk

The Fund is exposed to foreign currency risk as a result of investments in non-euro currencies, due to the reporting currency being Euro.

There will be periods where the global nature of the Fund's portfolio produces positive foreign currency impacts on valuation and other times when the reverse is true.

A summary of quantitative data about the Fund's exposure to foreign currency risk is provided in note 1, in relation to fair value exposures.

The foreign currency exchange rates at December 31, 2020 are as follows:

	2020	**2019**
GBP	0.90215	0.85492

The impact of a strengthening or weakening of the EUR against the relevant foreign currency on the fair value of the participating interests is disclosed in Note 1 to the consolidated financial statements, a scenario that the Manager considers to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of changes in forecasted revenues and costs.

Interest rate risk

Except for subordinated loans and other receivables from participating interests, which are included as part of the fair value of participating interests, the Fund does not account for other fixed-rate financial assets and liabilities at fair value through the income statement. For the years ended December 31 the main variable interest rate exposure of the Fund is on the interest rates applied to the Fund's cash, including deposit rates used in valuing the participating interests of the Fund. A change in the deposit rates used in valuing a project would have an impact on the project's value and a corresponding impact on the Fund's fair value of participating interests and therefore on the income statement during the year.

Typically, the interest risks for the project during the term of the relevant loan is limited. As a rule, this risk is mitigated by arranging an interest rate swap with a bank. Usually, such a swap is agreed on to the full extent of the loan and for its entire term, with the result that on balance this produces a fixed-interest obligation on the part of the project.

Inflation risk

The participating interests in which the Fund invests are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation indexes to minimise the risk of a mismatch between income and costs due to diverging movements in inflation indexes. The Fund's overall cash flows vary with inflation, although they are not directly correlated as not all flows are indexed. The effects of these inflation changes do not always immediately flow through to the Fund's cash flows.

Tax policy risk

The companies in the Group as well as the companies which are held as investments in participating interests are subject to taxation in the countries in which they operate. It is difficult to assess whether the Fund will see unexpected additional cash outlays for taxes due to changes to the tax policies of countries where the Fund operates, but it cannot be excluded. On-going financial instability and political changes create uncertainty and it is not possible to rule out potential changes in taxation which could have an impact on future financial performance.

Fair value risk

The valuation of the participating interests depends on the ability of the Fund to realise cash distributions from these projects. The Fund makes investments in participating interests located in countries where the Manager considers that project structures are reliable, where (to the extent applicable) public sector counterparties carry what the Manager considers to be an appropriate credit risk, or alternatively where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under the project contracts. The Manager continuously monitors the ability of its investments to make distributions to the Fund.

Notes to the consolidated income statement

(In EUR thousands)

7. Income from participating interests

	2020	2019
Project income	45,527	47,511
Other fees	1,608	2,633
Total income from participating interests	**47,135**	**50,144**

The 2019 other fees where higher due to the receipt of one-off fees from project companies during 2019.

Segmentation

Information reported for the purposes of resource allocation and assessment of segment performance is focused on the sector risk associated within the Fund. The Fund has investments in the Infrastructure and Renewable Energy risk sectors. The Manager also considers and analyses the performance by geography, however the Fund invests solely in Europe.

2020	Infrastructure	Renewable Energy	Total
Europe	40,612	4,915	45,527
Project income	**40,612**	**4,915**	**45,527**

2019	Infrastructure	Renewable Energy	Total
Europe	38,214	9,297	47,511
Project income	**38,214**	**9,297**	**47,511**

8. Operating expenses

	2020	2019
Management fee	3,469	2,837
Project related costs	93	296
Fees related to restructuring	707	79
Fees related to independent valuation	378	339
Tax, legal and advisory	103	333
Insurance	217	541
Audit	162	78
Luxembourg office expenses	169	142
Accounting	84	123
Compliance	178	58
Bank and guarantee fees	20	16
Other costs	7	33
Total operating expenses	**5,587**	**4,875**

Under the management agreement the Manager is entitled to an annual fee of 0.365% over the indexed initial invested amount. The 2020 management fee was higher due to (i) a one-off fee for managing an acquisition process and (ii) a one-off fee for managing an exit process.

The 2020 project related costs include project debt refinancing fees and management fees paid to Strukton in relation to an investment in participating interest. The 2019 project related costs included bid costs for additional stakes as well as costs for project-related management services.

Fees related to restructuring are made in relation to the sales process in which the Fund engaged during 2020. The 2019 fees related to restructuring were significantly lower since have no significant fund restructurings were executed during 2019.

The 2019 accounting costs were higher than 2020 due to the additional costs in preparing more 2018 accounts (e.g. for DIF Yield Stichting 2018 is a first time, due to extended book-year).

Insurance costs mainly relate to premium and brokerage fees related to French projects. The majority of these expenses have been recharged and are presented in Other fees income in note 6.

The Luxembourg office expenses relate to the services of DIF Management Luxembourg S.à r.l.

Compliance expenses increased due to advisory support for ESG-related activities.

Bank fees relate to the costs incurred for the Fund's bank accounts.

Audit cost

The costs of the Group for the external auditor, the audit organisation and the entire network to which the audit organisation belongs, are:

	2020	2019
Annual report audit by Ernst & Young Accountants LLP	141	110
Tax advisory	-	-
Other advisory	-	-
Total EY	**141**	**110**

9. Interest income and expenses

Interest expenses are related to accrued interest on debt contributions by Investors via the Stichting Yield I entity, which is transparent and therefore the presented (interest expense) figures in this report to the Group are equal to the interest income and expenses as faced by the Stichting Yield I. These expenses for the year of EUR 37.3 million (2019: 47.2 million) have decreased due to a decrease in the outstanding loan balance due to loan repayments via distributions.

10. Foreign currency exchange and other results

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date; exchange rate effects are recognised immediately in the income statement.

11. Tax

At December 31, 2020 no deferred tax assets for carry forward losses are recognised. The structure of the Group is such that future profits are expected to comprise tax-free profits from participating interests. As a result, the Group refrained from recognising any carry forward losses.

Notes to the consolidated cash flow statement

(In EUR thousands)

General principles

The cash flow statement is prepared based on the indirect method. Cash recognized in the cash flow statement consists of cash. Cash flows from Group Companies with a different functional currency than the Euro are included at the rate that is used for translation in the Income statement and balance sheet respectively. Exchange differences due to exchange rate fluctuations between December 31 of the previous financial year and December 31 of the reporting year are included on the respective line in the cash flow statement.

Transactions that do not involve cash exchanges are not included in the statement of cash flows.

Components of cash

	2020	2019
Cash January 1	7,188	11,481
Net increase / (decrease) in cash	6,240	(4,293)
Cash December 31	**13,428**	**7,188**

Cash at December 31, 2020 and 2019 is at the Cooperative's free disposal.

Subsequent events

There are no subsequent events for the Fund.

Schiphol, March 31, 2021

DIF Management B.V.

DocuSigned by:
712EF548D19E4A7

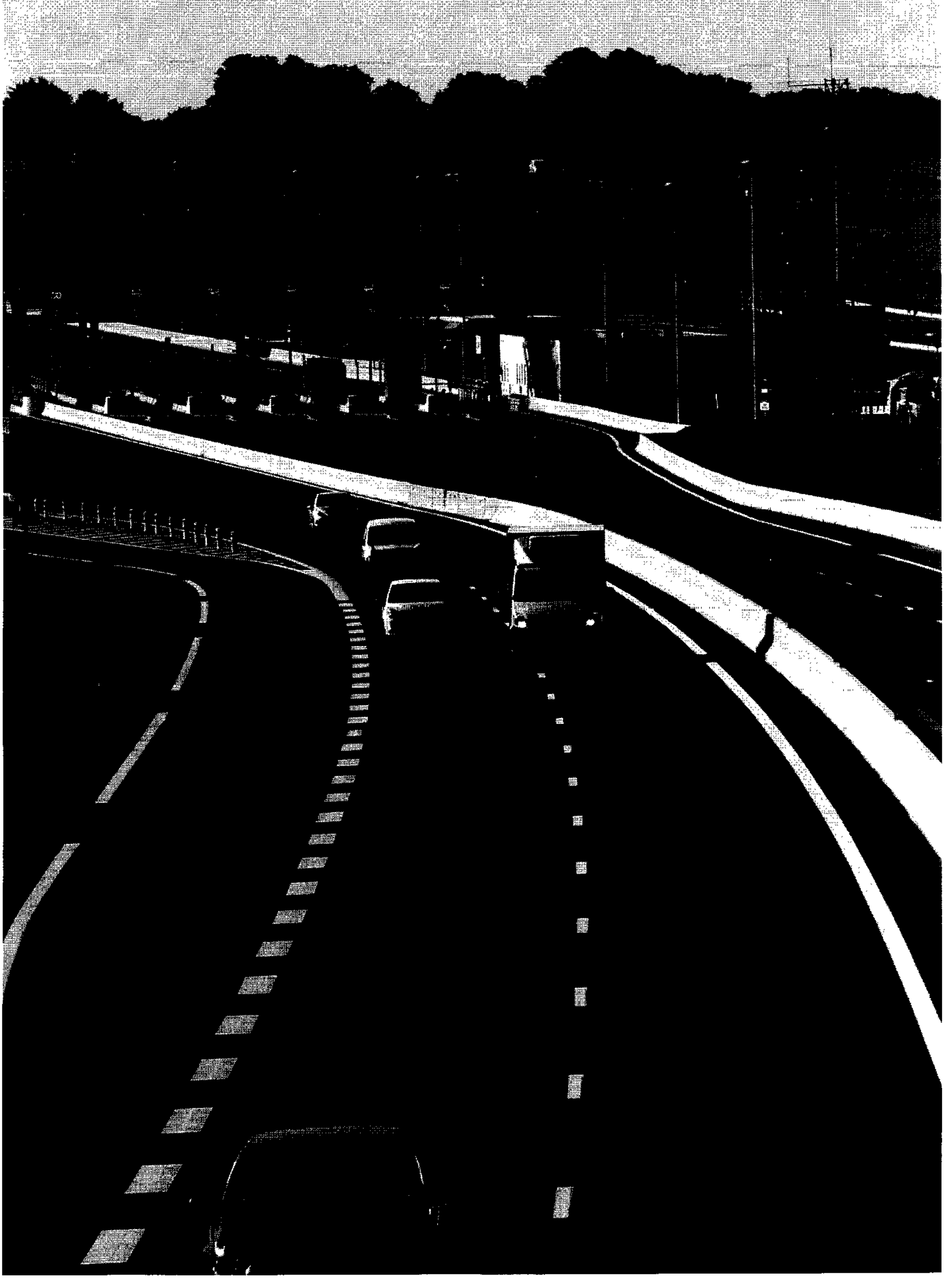
W. Blaasse

Statutory director

DocuSigned by:
FC03877980E0462.

R.J. Doekes

Statutory director



COOPERATIVE FINANCIAL STATEMENTS

Cooperative balance sheet

(Before result appropriation)

As at December 31 (In EUR thousands)	Notes	2020	2019
Investments			
Investments in Group Companies	1	351,537	386,294
Investments		**351,537**	**386,294**
Current assets			
Receivables	2	145	35
Other assets			
Cash	3	101	654
Current and other assets		**246**	**689**
Total assets		**351,783**	**386,983**
Current liabilities			
Payables and other current liabilities	4	(18,165)	(6,331)
Current liabilities		**(18,165)**	**(6,331)**
Total net assets		**333,618**	**380,652**
Net assets attributable to Investors			
Net assets attributable to Investors	5	**333,618**	**380,652**

Cooperative income statement

For the year ended December 31 (In EUR thousands)	2020	2019
Result		
Cooperative result after taxation	(4,704)	(3,865)
Result Group Companies	(40,089)	30,041
Net profit after taxation	**(44,793)**	**26,176**

Notes to the Cooperative financial statements

Structure

The structure has been disclosed in the general notes of the consolidated financial statements.

Significant accounting principles

Principles for the valuation of assets and liabilities and the determination of the result

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated balance sheet and income statement, with the exception of the following principle:

Group Companies

Group Companies over whose financial and operating policies the Group exercises significant influence are valued using the net equity method. Under this method, Group Companies are carried at the Group's share in their net equity value plus its share in the results of the Group Companies and its share of changes recognised directly in the equity of the Group Companies as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements, less its share in the dividend distributions from the Group Companies. The Group's share in the results of the Group Companies is recognised in the Income statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The Cooperative's share in direct equity increases and decreases of Group Companies is also included in the legal reserve except for asset revaluations recognised in the revaluation reserve.

If the value of the Group Companies under the net equity value method has become nil, this method is no longer applied, with the Group Companies being valued at nil if the circumstances are unchanged. In connection with this, any long-term interests that, in substance, form part of the Investor's net investment in the subsidiary are included.

A subsequently acquired share of the profit of the participating interests is recognised only if and to the extent that the accumulated share of the previously unrecognised loss has been made good.

Notes to the Cooperative balance sheet

(In EUR thousands)

1. Investments

The movements of the investments in Group Companies are as follows:

	2020	2019
Investments in Group Companies at January 1 (net equity value)	**386,294**	**363,254**
Investments	20,487	5,816
Repayments	(3)	(912)
Dividends	(15,611)	(11,914)
Result Group Companies	(40,089)	30,041
Currency translation	459	9
Investments in Group Companies at December 31 (net equity value)	**351,537**	**386,294**

The breakdown of the investments in Group Companies is as follows:

	2020	2019
DIF Infra Yield 1 Luxembourg S.à r.l.	310,102	363,141
DIF Infra Yield I Finance B.V.	41,435	23,153
Investments in Group Companies at December 31 (net equity value)	**351,526**	**386,294**

2. Receivables

	2020	2019
Accounts receivable from project companies	140	-
Amounts owed from related parties	5	35
Other receivables	-	-
Total receivables	**145**	**35**

Accounts receivable from project companies relate to amounts charged to project companies in relation to advisory fees. Amounts owed from related parties are free of interest. The composition of amounts owed from related parties is as follows:

	2020	2019
DIF Infra JV UK Limited	5	4
Turramurra Designated Activity Company	-	26
Dundalk Roads Limited	-	5
Total amounts owed from related parties	**5**	**35**

3. Cash

	2020	2019
Bank accounts	101	654
Total cash	**101**	**654**

Cash at bank at December 31, 2020 and 2019 is at the Cooperative's free disposal.

4. Payables and other current liabilities

	2020	2019
Creditors	151	432
Amounts payable to related parties	11	2
Amounts payable to Group Companies	17,526	5,731
Accrued expenses	376	90
Taxes	101	28
Other current liabilities	-	48
Total payables and other current liabilities	**18,165**	**6,331**

Creditors per year-end 2020 mainly relate to recent advisory services in relation to the investment portfolio and legal advisory. Accrued expenses relate to 2020 services provided in relation to the independent valuation of the investment portfolio, audit, legal services. Taxes per year-end 2020 relate to VAT payable for recent invoices.

The composition of amounts owed to related parties is as follows:

	2020	2019
DIF Management B.V.	11	-
DIF Management Spain S.L.	-	2
Total amounts owed to related parties	**11**	**2**

Amounts owed to related parties are free of interest.

The composition of amounts owed to Group Companies is as follows:

	2020	2019
DIF Infra Yield 1 Finance B.V.	17,526	5,685
DIF Infra Yield 1 Ireland Limited	-	46
Total amounts owed to Group Companies	**17,526**	**5,731**

Amounts owed to Group Companies are free of interest.

5. Net assets attributable to Investors

Movements in net assets attributable to Investors can be specified as follows:

	Investors' capital	Reserve	Retained earnings	Revaluation reserve	Total
January 1, 2019	**292,756**	**28,343**	**8,735**	**33,460**	**363,294**
Result appropriation	-	(63,921)	63,921	-	-
Contributions	-	-	-	-	-
Repayments	(8,355)	-	-	-	**(8,355)**
Currency translation	-	-	9	-	**9**
Adjustments	-	(472)	-	-	**(472)**
Result for the year	-	26,176	-	-	**26,176**
Transfer to revaluation reserve		(27,414)	(9)	27,423	-
December 31, 2019	**284,401**	**(37,288)**	**72,656**	**60,883**	**380,652**
Result appropriation	-	(26,176)	26,176	-	-
Contributions	-	-	-	-	-
Repayments	(2,241)	-	-	-	**(2,241)**
Result for the year	-	(44,793)	-	-	**(44,793)**
Transfer to revaluation reserve	-	49,110	10	(49,120)	-
December 31, 2020	**282,160**	**(59,147)**	**98,842**	**11,763**	**333,618**

Proposed treatment of the result

It will be proposed to the Investors, during the Annual General Meeting, to add the result to the retained earnings. The provisions governing the appropriation of profit are set out in the Articles of Association provisions governing appropriation of profit and the Fund Agreement.

Off-balance sheet items and contingent liabilities

Off-balance sheet items and contingent liabilities have been disclosed in the notes of the consolidated balance sheet.

Related parties

Related parties have been disclosed in the notes of the consolidated balance sheet.

Subsequent events

The Manager has signed end of February 2021 an SPA to sell the Fund's RE portfolio except the HPCP1 Green Yellow 3, 3C, 4 portfolio and Finsterwalde solar projects. The transaction closed at March 31, 2021.

Schiphol, March 31, 2021

DIF Management B.V.

DocuSigned by:
712EF548D19E4A7

W. Blaasse

Statutory director

DocuSigned by:
FC03877980E0462...

R.J. Doekes

Statutory director

OTHER INFORMATION

Articles of Association provisions governing appropriation of profit

The provisions governing the appropriation of profit are set out in Article 18 of the Articles of Association of DIF Infrastructure Yield I Coöperatief U.A., dated 21 April 2017.

18. Membership profits and Profits Reserve

18.1 The Cooperative shall maintain a profit reserve to which the profits any losses in any current financial year shall be allocated in accordance with the provisions of this Article 18 (Profit Reserve). Each member is entitled to the Profit Reserve pro rata to the balance of their respective Member Capital Accounts.

18.2 From the current year accrued profits first an amount equal to the negative balance of the Profit Reserve (if any) shall be allocated to the Profit Reserve. Any balance remaining shall , subject to Article 18.8, be distributed to the Members and/or added to the Profit Reserve.

18.3 Current year accrued losses shall be allocated to the Profit Reserve.

18.4 Any distribution at the expense of the Profit Reserve can only be made pursuant to a resolution of the General Meeting, adopted by unanimous vote in a meeting in which all Members are present or represented.

18.5 Distribution of current year accrued profits shall only be made after adoption of the annual accounts.

18.6 The Board of Directors may decide to make interim distributions from profits realized during a current year (as estimated by the Board of Directors) to the Members. The authority to determine the timing and further conditions of any other distribution to the Members, at the change of the Member Capital Accounts, shall be vested in the General Meeting.

18.7 A deficit may be made up to the detriment of the reserves prescribed by law only in so far as so permitted by law.

18.8 Any distribution pursuant to this Article 18 shall at any times be made to the Members pro rata to the balance of their respective Member Capital Accounts, unless unanimously decided otherwise by the General Meeting.

Independent auditor's report

The independent auditor's report has been included in the subsequent pages.

Independent auditor's report

To: the shareholders and management of DIF Infrastructure Yield I Coöperatief U.A.

Report on the audit of financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of DIF Infrastructure Yield I Coöperatief U.A., based in Schiphol.

In our opinion the accompanying financial statements give a true and fair view of the financial position of DIF Infrastructure Yield I Coöperatief U.A. as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
- The consolidated and cooperative balance sheet as at 31 December 2020
- The consolidated and cooperative income statement for 2020
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of DIF Infrastructure Yield I Coöperatief U.A. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:
- Report of Operations
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:
- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the report of operations in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements

Responsibilities of the manager for the financial statements
The manager of the investment entity is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, *the manager of the investment entity is responsible for such internal control as it determines* is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the manager of the investment entity is responsible for assessing the investment entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager of the investment entity should prepare the financial statements using the going concern basis of accounting unless the manager of the investment entity either intends to liquidate the investment entity or to cease operations, or has no realistic alternative but to do so. The manager of the investment entity should disclose events and circumstances that may cast significant doubt on the investment entity's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the investment entity's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the investment entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an investment entity to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 31 March 2021

Ernst & Young Accountants LLP

signed by W.J. Smit