

# Prospectus Triodos SICAV II:

## Additional information

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### Introduction

Triodos SICAV II (also referred to below as the ‘Company’) is an investment company, established at 10 April 2006 under the laws of the Grand Duchy of Luxembourg as a ‘Société d’Investissement à Capital Variable’. The Company has the legal form of a Société Anonyme (S.A.), which is similar to a public limited company in the Netherlands.

The Company is registered in Luxembourg in accordance with Part II of the Law of 17 December 2010 relating to Undertakings for Collective Investment, as may be amended from time to time, (UCI) and was granted the required license of the Commission de Surveillance du Secteur (CSSF) in Luxembourg. The Company qualifies as an externally managed Alternative Investment Fund (AIF) under the Alternative Investment Fund Managers Directive (AIFMD) and the Luxembourg Law of 12 July 2013 relating to alternative investment fund managers, as may be amended from time to time (Law of 2013).

The Company is a so-called umbrella fund, offering investors various individual Sub-Funds. Each Sub-Fund has its own investment policy and related portfolio of assets as permitted by law. The Sub-Funds are semi open-ended, i.e. they are open ended in principle but can be temporarily closed, as described in the prospectus of the Company (the “Prospectus”). Capitalised terms not defined herein shall have the meaning given to them in the Prospectus.

For the sake of completeness, it should be noted that negative Net Assets in one Sub-Fund will have no consequences for the other Sub-Funds.

At the date of issue of the Prospectus, one Sub-Fund has been launched: Triodos Microfinance Fund (also referred below as the “Sub-Funds”).

The Sub-Funds are notified to be offered in the Netherlands to non-professional investors in accordance with article 2:70, subsection 2 and 3 of the Dutch Act on Financial Supervision (Wet financieel toezicht (Wft)) with the Dutch Authority for the Financial Markets (AFM). Consequently, additional information must be provided under the Wft.

### General Information

On 22 July 2014, the Company has appointed Triodos Investment Management B.V. as its alternative investment fund manager (AIFM) in compliance with the Law of 2013 and the AIFMD. Triodos Investment Management B.V. has been granted a license pursuant to article 2:65 of the Wft by the AFM and is therefore subject to overall supervision by the AFM and prudential supervision of De Nederlandsche Bank N.V. (DNB).

Triodos Investment Management B.V. provides certain portfolio management, liquidity management, risk and compliance management and valuation services, subject to the investment policies and objectives set out in the Prospectus and the Articles of Incorporation of the Company.

Triodos Investment Management B.V. also manages the following investment funds: Triodos Fair Share Fund, Triodos Groenfonds N.V., Triodos Multi Impact Fund (being a sub-fund of Triodos Impact Strategies N.V.), Triodos Renewables Europe Fund and Triodos Organic Growth Fund (being sub-funds of Triodos Impact Strategies II N.V.), Sustainability – Finance – Real Economies SICAV-SIF (SFRE) and the sub-funds of Triodos SICAV I (Triodos Euro Bond Impact Fund, Triodos Global Equities Impact Fund, Triodos Impact Mixed Fund - Defensive, Triodos Impact Mixed Fund - Neutral, Triodos Impact Mixed Fund - Offensive and Triodos Pioneer Impact Fund).

RBC Investor Services Bank S.A. (Luxembourg) has been appointed as depositary of the Company (‘Depositary’).

### Information parties affiliated with Triodos SICAV II

Triodos Bank N.V. and Triodos Investment Management B.V., joint initiators of Triodos SICAV II, are parties affiliated with the Company.

Triodos Investment Management B.V. is a wholly owned subsidiary of Triodos Bank N.V., a leading expert in sustainable banking and was founded in 1980 on the conviction that banking can be a powerful force for good. Triodos Bank N.V. offers a range of financial and banking services to savers, investors and entrepreneurs who want to change the world for the better.

As described above, the Company will maintain (economic) relationships with affiliated parties such as Triodos Bank N.V., with whom agreements have been concluded. These agreements include provisions governing the rights and obligations applicable between the parties, the mutual provision of information, their liabilities and the fees. The Company considers that the transactions that can be done with the affiliated parties, are effected under market conditions. In case transactions with affiliated parties take place outside a regulated market, securities exchange or another regulated market, which operates regularly and is recognised and open to the public, the transaction is based on an independent valuation.

In special circumstances, i.e. if no suitable investment opportunities are available, the Company may invest the available liquidities in funds affiliated to the Company or deposit them on accounts held by affiliated parties. The Sub-Funds can enter into currency hedging derivatives or FX contracts with, amongst others, Triodos Bank N.V.

## Complaints regulation

The Company has a complaints handling policy, which is available upon request from the Company. The policy is applicable to complaints in relation to the Company and the Sub-Funds. The Company has appointed a Complaints Handling Officer, who is responsible for implementation of the complaints handling policy.

Complaints are expected to be filed in writing to the attention of the Complaints Handling Officer with the reference "Complaint Filing" at the following address or e-mail:

Triodos SICAV II  
Attention: Complaints Handling Officer  
11-13, Boulevard de la Foire  
L-1528 Luxembourg  
Grand-Duché de Luxembourg  
E-mail address: TriodosIM@triodos.com

## Amendments to the Conditions of SICAV

The Company's Articles of Incorporation and the Prospectus (including the additional information in this document) may be subject to amendment. The Articles of Incorporation describe the manner in which amendments to the Articles of Incorporation must be made. Below, the manner is explained, in which amendments to the conditions of the Sub-Funds must be made according to the applicable rules and regulations.

### Proposal to amend the Conditions

The Company will announce any proposal to amend the conditions applicable to the Sub-Funds and the Shareholders by publishing an announcement on the website of the AIFM, [www.triodos-im.com](http://www.triodos-im.com). If the proposed amendments are similar to the final text, this will not be announced separately. The final text will only be published on the website.

### Amendments leading to a restriction of rights or increase of charges

Any amendment to the conditions applicable to the Sub-Funds and the Shareholders that leads to a restriction of the rights and securities of the Shareholders will first take effect at least one month after being published in the manner described above. During that period, the relevant Shareholders will be allowed to withdraw under the usual conditions.

### Amendments to the investment policy

Any amendment to the conditions applicable to the Sub-Funds and the Shareholders that leads to a change in the investment policy will first take effect one month after being published in the manner described above. During that period, the relevant Shareholders will be allowed to withdraw under the usual conditions.

## Provisions of Information

Triodos SICAV II publishes an integrated detailed audited annual report in Luxembourg within four months following the end of the relevant financial year. The financial year is identical to the calendar year. Triodos SICAV II further publishes an integrated detailed semi-annual report in Luxembourg within two months after the first half of each financial year.

Copies of the most recently published annual reports and semi-annual reports, a copy of the Articles of Incorporation and the Prospectus are available free of charge from the following address:

Triodos Investment Management B.V.  
Nieuweroordweg 1  
Postbus 55  
3700 AB Zeist  
The Netherlands

The following information is available on [www.triodos-im.com](http://www.triodos-im.com):

- the license of Triodos Investment Management B.V., as granted by the AFM
- the license of the Company as granted by the CSSF;
- the Prospectus (including additional information in this document) of the Company;
- the Articles of Incorporation of the Company;
- any particulars of the Company that are required by law to be entered into the trade register.

In addition, the following information with regard to Triodos Microfinance Fund is available on [www.triodos-im.com](http://www.triodos-im.com):

- the Net Asset Value per Share;
- the Packaged Retail and Insurance-based Investment Products - Key Information Documents (PRIIPs-KIDs or Essentiële-informatiedocument);
- the annual and the semi-annual report.

Any particulars of the Company, AIFM and/or the Depositary that are required by law to be entered into the trade register are available at the office of the Company and will be provided upon request at a charge not higher than their cost. A copy of the depositary agreement is also available at the office of the Company and will be provided upon request at a charge not higher than their cost.

Upon request, Shareholders in the relevant Sub-Fund will be provided, at a charge not higher than their cost, with a copy of the monthly overview including the explanatory notes of the following information:

- the total value of the investments of the Sub-Fund;
- an overview of the composition of the investments;
- the number of outstanding Shares;
- the most recent Net Asset Value of the Sub-Fund.

## Activities and Investment Policy

The Prospectus of the Company contains an elaborate description of the Investment Objectives and Policies in the Sub-Fund Particulars, which relate specifically to the relevant Sub-Funds.

## Expenses and Fees

### Ongoing Charges

Ongoing Charges reflect the total costs incurred by the (Class of Shares of the) Sub-Fund during a period, divided by the average Net Asset Values during the relevant period, and is denoted as a percentage.

Triodos Microfinance Fund:

The Sub-Fund shall strive to limit the Ongoing Charges to a maximum of 3%.

The charges and expenses can be divided as follows:

| Ongoing Charges per Share Class* | 2019  |
|----------------------------------|-------|
| B-cap (EUR)                      | 2.65% |
| B-dis (EUR)                      | 2.72% |
| R-cap (EUR)                      | 2.68% |
| R-dis (EUR)                      | 2.68% |
| Z-cap (EUR)                      | 2.15% |
| Z-dis (EUR)                      | 2.15% |

\* The Ongoing Charges reflect all the costs that are charged to the result during the reporting period. The costs of securities transactions and the interest charges are disregarded.

### Formation expenses

Part of the total formation expenses has been charged to the Sub-Funds.

Triodos Microfinance Fund:

Total formation expenses of the Sub-Fund, amounting to EUR 175,000, were amortised over a period of five years.

### Expenses for assignments given to third parties

Third parties include Triodos Investment Management B.V., acting as AIFM, and RBC Investor Services Bank S.A., acting as depositary, custodian, administrator, registrar, transfer and paying agent.

Triodos Microfinance Fund:

The Sub-Fund pays to Triodos Investment Management B.V. an annual management fee of 2.50% for Class "R" Shares and Class "B" Shares, calculated on the relevant Class' Net Assets, accrued monthly and payable quarterly. Costs for marketing activities related to retail investors and attributable to Class "R" Shares and Class "B" Shares, will only be borne by Class "R" Shares and Class "B" Shares and will be part of the management fee.

The Sub-Fund pays to Triodos Investment Management B.V. an annual management fee of 1.95% for Class "Z" Shares, calculated on the relevant Class' Net Assets, accrued monthly and payable quarterly. The costs for marketing activities incurred by the AIFM related to retail investors and attributable to Class "Z" Shares will only be borne by Class "Z" Shares and may amount to maximum 0.20% (on an annual basis) of these Share Classes' Net Assets.

The management fee is excluding VAT and when applicable will be charged to the Shareholders.

RBC Investor Services Bank S.A. will receive a fee for its services and the expenses it incurred. The fees charged and the costs incurred relate to the services rendered by RBC Investor Services Bank S.A. for the purpose of the depositary, custodian, administrator, registrar, transfer and paying agent. That fee will be effected under Luxembourg market conditions. The costs related to services provided to the Sub-Fund by RBC Investor Services Bank S.A. in 2019 amounted to EUR 295,584.

### Transaction charges

The cost of investment transactions will be allocated to the relevant investment object, to the extent commercially possible. If it is not feasible to allocate transaction charges, such as the cost of investigating a certain region, to a single investment object, they could be spread among several investment objects, or can be allocated to the relevant Sub-Fund.

### Costs of external auditor and reporting

The costs of the external auditor are calculated on statements of expenses based on the number of hours the accountant spent on the Sub-Funds.

Triodos Microfinance Fund:

In 2019, audit and reporting expenses amounted to EUR 57,648.

### Remuneration policy of Triodos Investment Management B.V.

Triodos Bank N.V. and Triodos Investment Management B.V. attach great value to adequate and commensurate remuneration of all staff members. The salary system does not include any bonuses or option schemes. The management board of Triodos Investment Management B.V. annually assesses the remuneration policy. Identified staff are co-workers as defined in the AIFMD remuneration guidelines and include all co-workers who may influence the risk profile of the Sub-Funds. Besides the members of the management board of Triodos Investment Management B.V., these include the fund managers of the Sub-Funds and the managers of support departments. Information in relation to the remuneration

policy of Triodos Investment Management B.V. is included in the annual report of Triodos Microfinance Fund and the website of the AIFM.

#### Board remuneration

Triodos Microfinance Fund:  
The remuneration of the Board of Directors of the Company in 2019 amounted to EUR 15,000.

#### Costs of supervision and subscription tax

The costs of supervision include invoices from the CSSF.

Triodos Microfinance Fund:  
The costs of supervision were EUR 40,470 in 2019. Since 1 January 2010, microfinance funds are no longer subject to any subscription tax.

#### Note on the attribution of general costs and expenses

- Each Sub-Fund shall pay for the general costs and expenses directly attributable to it; and
- General costs and expenses that cannot be attributed to a given Sub-Fund of the Company may be allocated to the Sub-Funds of the Company on an equitable basis, in proportion to their respective Net Assets; and/or
- General costs and expenses that cannot be attributed to a given Sub-Fund of the Company, and are irrespective of the size of the Sub-Fund's Net Assets, shall be divided equally among the Sub-Funds.

#### Note on costs of investments in other UCI's

It is possible for the Sub-Funds to invest in other UCI's. Duplication of management fees, subscription and/or redemption fees and other operating fund related expenses may occur each time the Sub-Fund invests in other UCI's. However, in case of investments by any of the Sub-Funds in other funds managed by Triodos Investment Management B.V., no management fees will be charged on any such investment.

Triodos Microfinance Fund:  
The Sub-Fund has made limited use of the possibility to invest in other UCIs to date: amounts committed to other UCI's currently amount to less than 10% of the Sub-Fund's Net Assets. Related management fees paid amounted to 2.5% of the amount committed (to the other UCI) in 2019.

See also "Charges and Expenses" in the general part of the Prospectus.

An overview of the total expenses, including the costs described above, of Triodos Microfinance Fund can be found in the annual reports of the Sub-Funds.

#### Returns of the Sub-Funds

A comparative overview of the development of the Net Assets of the Sub-Funds, as well as the returns and costs during the last three years, are included in the annual report 2019 of the Company. The annual reports are audited by an independent auditor. The three preceding annual reports as well as the last semi-annual report constitute an integral part of the Prospectus.

Triodos Microfinance Fund:

| Historical returns based on Net Asset Value per Share Class* | 2019 |
|--|------|
| R-cap (EUR)  | 2.7% |
| R-dis (EUR)  | 2.7% |
| B-cap (EUR)  | 2.7% |
| B-dis (EUR)  | 2.7% |
| Z-cap (EUR)  | 3.3% |
| Z-dis (EUR)  | 3.3% |

\* The Net Asset Value per Share Class is based on share prices as published on December 31, 2019, i.e. the last price at which Shares were traded in the reporting period.

#### Information concerning the Shares

##### Publication of the Net Asset Value

Triodos Microfinance Fund:  
The Net Asset Value per Share is determined on a monthly basis and subsequently published on [www.triodos-im.com](http://www.triodos-im.com).

##### Regulations governing the determination and allocation of profits

The external auditor will audit the annual accounts drawn up by the administrator of the Company (RBC Investor Services Bank S.A.) in accordance with the law applicable in Luxembourg and duly taking into account the regulations governing the determination and allocation of profits. Article 35 of the Articles of Incorporation provides that: 'The general meeting of Shareholders of the Class or Classes issued in respect of any Sub-Fund shall, upon proposal from the Board of Directors of the Company and within the limits provided by law, determine how the results of such Sub-Fund shall be disposed of, and may from time to time declare, or authorise the Board of Directors to declare, distributions'.

For the Classes of Shares which are of the Capitalisation type, no distribution of dividends will take place, since all income earned by the Sub-Fund will be reinvested in the relevant Sub-Fund.

For the Classes of Shares, which are of the Distribution type, distribution of dividends will take place.

## Subscription of Shares

Triodos Microfinance Fund is a semi open-ended investment fund and is in principle prepared to accept applications for subscription of Shares. Shares of Triodos Microfinance Fund may be subscribed once a month. However, under specific circumstances, the issue and sale of Shares of (one of) the Sub-Funds can be (temporarily) limited or suspended, such to the discretion of the Board of Directors of the Company. For the determination of the policy with regard to the subscription of Shares, the Sub-Funds will take into account the interests of the relevant Sub-Fund and its Shareholders.

## Redemption of Shares

The Sub-Funds are semi open-ended investment funds and are in principle prepared to accept requests for redemption of Shares. Shares of Triodos Microfinance Fund may be redeemed once a month. However, under specific circumstances, the redemption of Shares of (one of) the Sub-Funds can be temporarily limited or suspended, such to the discretion of the Board of Directors of the Company. See also “Redemption of Shares” in the general part of the Prospectus, and “Redemptions” in the Sub-Fund Particulars.

## Risk profile

The Prospectus of the Company contains an elaborate description of several risks in both the general part of the Prospectus, and, especially, in the Sub-Fund Particulars, which relate specifically to the relevant Sub-Fund.

The most relevant risks of the Company and its Sub-Funds are also identified in the PRIIPs-KIDs relating to the relevant Sub-Fund. In addition, the AFM requires that a number of additional risks is defined, to the extent that they are relevant.

### General risks

- Returns on investments are subject to fluctuation. They may be higher but also lower than in the past. They may also be negative. However, you can never lose more than your investment.
- The performance of the Shares in the Sub-Funds depends on developments on the capital, securities, currencies and commodities markets. It is possible that your investment will increase in value; however, it is also possible that your investment will generate little or no income or that your investment may be lost in whole or in part due to adverse price developments. More specifically, the performance of the Shares in the Sub-Funds depends on developments in the microfinance market in the case of Triodos Microfinance Fund.

- The return on investment may be affected by inflation.
- The Sub-Funds have a semi open-ended structure. Because the Sub-Funds are mainly invested in illiquid assets and their cash positions are limited, a situation could arise in which it is decided that (one of) the Sub-Funds will (temporarily) limit or suspend the purchase or issue of Shares.
- There is the risk that assets given in custody are lost due to insolvency, negligence or fraudulent actions of the custodian.
- Finally, you should take into account the fact that general, financial and tax laws and regulations are subject to change, and that a favourable condition at the time of introduction may turn into an unfavourable condition.

### Specific risks

Triodos Microfinance Fund:

The Sub-Fund aims at increasing access to financial services for low-income people in developing countries and emerging economies through the provision of loans and/or equity to microfinance institutions (MFIs), small and medium-sized enterprise banks (SME banks) and other relevant financial institutions. As such, the Sub-Fund has a very specific, sector-based investment focus on financial inclusion. The associated typical risks of the microfinance market can be spread to a limited extent only.

For a better understanding of the main identified risks related to investments in the Sub-Fund, the Prospectus, and especially the paragraphs mentioned below, should be read carefully.

- Paragraph 4 of the Sub-Fund Particulars (‘Investment restrictions’) lists the investment restrictions.
- Paragraph 6 of the Sub-Fund Particulars (‘Risk factors’) describes the risks.
- A number of risks run by the investor are also identified in paragraph 10 of the Sub-Fund Particulars (‘Typical investor’).

### COVID-19 impact

The impact of COVID-19 will be concentrated on the valuations of the investments of the Sub-Funds and the possible outflow of shareholders. A high level of outflow could lead to illiquidity of the Sub-Funds. The current valuation processes of the Sub-Funds’ investments provide for periodic adjustments of the valuations – including the impact of COVID-19 on the valuations – if there is reason to do so and this impact can be quantified sufficiently. In addition, with respect to the outstanding loans, an increased credit risk is also taken into account. There is a risk that a counterparty may not be able to meet its interest and repayment obligations and therefore may have a negative impact



on the Sub-Funds' profits and assets. This risk is also periodically evaluated – as part of the current processes – and if necessary, measures are taken and / or provisions are made. In general, the Sub-Funds are positioned well given the lower correlation with stock market developments and the cautious asset allocation that was already in place. However, in times of crisis, correlations can and will likely increase. Outstanding loans may also have been provided with securities that mitigates (in part) the credit risk.

## General meeting of Shareholders

### Cases in which a general meeting of Shareholders is held

#### The general meeting of Shareholders

The general meeting of Shareholders shall meet at any time upon call by the Board of Directors of the Company. It may also be called upon the written request of Shareholders representing at least ten percent (10%) of the Company's share capital.

The annual general meeting of Shareholders shall be held within four (4) months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Company or at or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting.

A general meeting of Shareholders must be held on the basis of the Articles of Incorporation in the following cases:

- upon proposal from the Board of Directors of the Company and within the limits provided by law and the Prospectus, to determine how the results of such Sub-Fund shall be disposed of; such a meeting may from time to time declare, or authorise the Board of Directors to declare, distributions;
- upon merger of the Company in case the Company ceases to exist as a result of the merger;
- upon a resolution of the general meeting of Shareholders to dissolve and liquidate the Company at any time;
- to amend these Articles of Incorporation, subject to the quorum and majority requirements.

#### The Shareholders of the Class or Classes issued in respect of any Sub-Fund

The Shareholders of the Class or Classes issued in respect of any Sub-Fund may hold, at any time, general meetings to decide on any matters, which relate exclusively to such Sub-Fund. In addition, the Shareholders of any Class of Shares may hold, at any time, general meetings for any matters, which are specific to such Class.

The applicable provisions of the Articles of Incorporation for the general meeting of Shareholders shall apply to such general meetings as mentioned above.

### Rules for giving notice of general meetings of Shareholders

The annual general meeting of Shareholders shall be held within four (4) months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Company or at or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. Other meetings of Shareholders may be held at such places and times as may be specified in the respective notices of meeting.

The convening notice for every general meeting shall contain the date, time, place and agenda of the meeting and must be made as specified in section 'General Meetings' as set out in the general part of the Prospectus. In addition to this, upon call by the Board of Directors of the Company, a notice for a meeting of Shareholders setting forth the agenda shall be published also at least fourteen (14) days prior to the meeting on the website of the AIFM [www.triodos-im.com](http://www.triodos-im.com).

If all Shares are in registered form and if no publications are made, notices to Shareholders may be mailed by registered mail only.

If all of the Shareholders are present or represented at a general meeting of Shareholders and have waived any convening requirements, the meeting may be held without prior notice or publication.

The Board of Directors of the Company may determine all other conditions that must be fulfilled by Shareholders in order to attend any meeting of Shareholders.

### Rules governing voting rights

#### The general meeting of Shareholders

Each Share of any Class is entitled to one vote, in compliance with Luxembourg law and the Articles of Incorporation. A Shareholder may act at any general meeting of Shareholders by appointing another person, as his proxy in writing, by facsimile or any other means of communication that the Board of Directors of the Company may from time to time approve, and under conditions as set out in the Articles of Incorporation and the Prospectus. One person may represent several or even all Shareholders.

Unless otherwise provided by law or in the Articles of Incorporation, resolutions of the general meeting are passed by a simple majority vote of the Shareholders present or represented.

### **The meeting of Shareholders of the Class or Classes issued in respect of any Sub-Fund**

Unless otherwise provided for by law or in the Articles of Incorporation, the resolutions of the general meeting of Shareholders of a Sub-Fund or of a Class of Shares are passed by a simple majority vote of the Shareholders present or represented.

## **Information about compensation for losses arising from the incorrect calculation of the Net Asset Value**

With respect to the protection of Shareholders in case of Net Asset Value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to the Company, the Company intends to comply with the principles and rules set out in Circular CSSF 02/77, 'Protection of investors in UCI's in case of Net Asset Value computation error and compensation for losses arising from non-compliance with applicable investment restrictions', as amended or restated from time to time (Circular), subject to the different tolerance threshold applicable for Net Asset Value calculation errors.

### **Concept of materiality in the context of Net Asset Value computation errors**

It is generally acknowledged that the Net Asset Value computation process is not an exact science and that the result of the process is the closest possible approximation of the actual market value of a UCI's assets. It is accepted practice in the majority of leading fund administration centres to recognise only those computation errors with a material impact on the Net Asset Value. The circular introduces the concept of materiality to Luxembourg UCI's and sets the acceptable tolerance limits for the different types of funds. This differentiated approach is warranted by the fact that the degree of inaccuracy inherent in a given Net Asset Value computation may vary from one type of UCI to another due to external factors such as market volatility. The acceptable tolerance limits differ for the different types of UCI's. For mixed UCI's (applicable to Triodos Microfinance Fund) this is 0.5% of the Net Asset Value.

A material error may not just be an isolated error but also several errors, which in aggregate exceed the materiality limit. The obligation to compensate losses applies only to those Valuation Dates affected by a material Net Asset Value computation error.

## **Corrective action for material Net Asset Value computation errors**

### **I. Reporting to the promoter, depositary, CSSF and external auditor**

Immediately upon discovery of a material error, the UCI's central administration must notify the promoter, depositary, the CSSF and the external auditor and submit to the promoter and supervisory authority a remedial action plan dealing with the corrective action proposed or already taken to resolve the problems which caused the error and make appropriate improvements to existing administrative and control structures to avoid a recurrence of the failure.

### **II. Quantifying the financial impact of a computation error**

The central administration must remedy the error as swiftly as possible.

For the purpose of quantifying the financial impact of a computation error, the UCI's central administration shall make a distinction between:

- existing investors prior to the error period who redeemed during the error period;
- new investors during the error period who held their Shares/units beyond the end of the error period.

The following gives an overview of the position of a UCI and its investors where the Net Asset Value is understated or overstated:

#### **(i) Net Asset Value understated**

In such cases:

- existing investors before the error period who redeemed their Shares/units during the error period must be compensated for the difference between the recomputed Net Asset Value and the original understated Net Asset Value used as the basis for their redemption transaction;
- the UCI must be compensated for the difference between the re-computed Net Asset Value and the original understated Net Asset Value as applied to subscriptions during the error period for Shares/units held beyond the end of the error period.

#### **(ii) Net Asset Value overstated**

In such cases:

- the UCI must be compensated for the difference between the original overstated Net Asset Value as applied to redemptions during the error period of Shares/units held prior to the error period and the re-computed Net Asset Value;
- new investors during the error period who held their Shares/units beyond the end of the error period must be compensated for the difference between the original overstated Net Asset Value as applied to such subscriptions and the re-computed Net Asset Value.

Investors incurring a loss as a result of an error may be compensated out of the assets of the UCI where such payments represent the refund of excess receipts by the UCI. Alternatively, the UCI's promoter or central administration may, as appropriate, elect to bear the cost of such compensation. The question arises as to whether a UCI which has sustained a loss as a result of a computation error has the right to look to investors who have unknowingly benefited from the error to make good after the fact any underpayment for a subscription based on an understated Net Asset Value or any excess receipt from a redemption based on an overstated Net Asset Value. As this is a somewhat controversial issue to which no clear answer may be given in the absence of a judicial ruling on the matter, the circular does not advocate recourse to investors for compensation of losses sustained by the UCI, except where institutional or other expert investors are concerned, and where such investors have explicitly and knowingly agreed to indemnify the UCI for such losses. It is in principle for the central administration, or, as appropriate, the promoter to make good any loss to the UCI. As soon as the misstated Net Asset Values have been re-computed the appropriate accounting entries must be entered in the UCI to record the compensation payments receivable and/ or payable.

### **III. Compensation of losses incurred by the UCI and/or its investors**

The obligation to compensate losses applies only to those Valuation Dates affected by a material Net Asset Value computation error. The UCI's central administration must expedite the compensation payments to the UCI and/or the injured investors subject to completion of the external auditor's review. In order to speed up the correction process the UCI's central administration may begin work on the various steps involved without prior authorisation of the CSSF who may be kept informed of action taken after the event. Where, as a result of a Net Asset Value computation error the amount of compensation does not exceed EUR 25,000 and the amount payable to an investor does not exceed EUR 2,500, the central administration must expedite the release of the amounts of compensation due to the fund and/or injured investors as soon as such amounts of compensation have been quantified.

The CSSF may, however, intervene if it deems it appropriate. In the majority of leading collective investment centres, fund managers are permitted by the supervisory authority to apply 'de minimis' (minimum amount) rules to compensation amounts due to individual investors. This procedure avoids the situation of investors who are entitled to relatively modest amounts of compensation seeing the payment effectively nullified by bank and other expenses incurred by them. Luxembourg UCIs are permitted to apply 'de minimis' rules. The CSSF has not set a fixed 'de minimis' as the appropriate amount

may vary from UCI to UCI depending upon where its Shares/units are sold. It is for each UCI to set, with the consent of the CSSF, its proposed 'de minimis'. The 'de minimis' rule may not be used to refuse compensation to investors who have specifically requested compensation.

In the case of investors who still hold Shares/units in the UCI, the UCI may elect to credit them (without charge) with new Shares/units rather than by payment. Where injured investors subscribed via a nominee, the investor compensation, will be remitted to the nominee, who shall give an undertaking to the UCI's central administration to forward the amounts to the beneficial owner.

### **IV. Communicating with injured investors entitled to compensation**

Material computation errors must be reported to investors entitled to compensation. This may be either by individual notification or announcement in the press, giving particulars of the computation error and the action taken to correct the error and compensate the UCI and/or investors affected.

### **V. Liability for expenses incurred in remedying a computation error**

Expenses incurred as a result of remedial action taken to correct a computation error, including the cost of the special audit report, shall not be borne by the UCI. They shall therefore be borne in full by the UCI's central administration or by the UCI's promoter. It is the duty of the external auditor to ensure, as part of his statutory review of the accounting information contained in the UCI's annual report, that such expenses have not been met out of the assets of the UCI.

## **Taxation**

### **General**

A brief explanation will be given below of the most relevant tax aspects of investing in the Sub-Funds, based on the current Luxembourg and Dutch tax legislation as interpreted in published case law and/or official publications of the relevant tax authority, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect. The explanation will not extend to specific tax schemes that may be applicable to Shareholders. Moreover, no conclusions may be drawn from the following text regarding subjects that are not specifically addressed. Because a Shareholder's tax position depends on his specific circumstances and because the explanation below is based on the tax laws and regulations applicable at the date of issue of the Prospectus, it is recommended that buyers and prospective buyers seek professional tax advice.



## SICAV

The Company is governed by the Luxembourg tax system, which means that it is not liable to any Luxembourg tax on corporate income. Similarly, Luxembourg does not withhold any tax on capital gains or dividend distributions on the Shares in the Sub-Funds. Capital gains, dividends and interest received from the projects in which the Sub-Funds have invested may be subject to tax raised by the country of origin.

## Shareholders

### Private individuals residing in the Netherlands

This summary does not describe the Netherlands tax considerations for individual (deemed) Dutch resident holders of Shares:

- (i) who have an enterprise or an interest in an enterprise to which the Shares are attributable; or
- (ii) who are considered to perform activities with respect to the Shares that exceed regular asset management (“normaal vermogensbeheer”); or
- (iii) who have a substantial interest (“aanmerkelijk belang”) in the Sub-Fund. In general, a Shareholder is considered to have a substantial interest in the Sub-Fund, if he, alone or together with his partner (a statutory defined term) or certain other related persons, directly or indirectly, has (i) an interest of 5% or more of the total issued capital of the Sub-Fund or of 5% or more of the issued capital of a certain Class of Shares of the Sub-Fund, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Sub-Fund.

In case the abovementioned situations under (i), (ii) and (iii) do not apply to an individual (deemed) Dutch resident Shareholder in the Sub-Fund, the Shares held by this Shareholder fall under the regime of box 3 (income from savings and investments) of the Dutch Income Tax Act 2001 (“Wet inkomstenbelasting 2001”).

The taxable income from savings and investments is set at a progressive rate over the yield basis at the beginning of the calendar year 2020 (“de peildatum”). The yield basis is the value of the assets to be taken into account in box 3, including the Shares, less the value of the liabilities to be taken into account in box 3. The applicable tax rate is 30% and is calculated over the progressive rate of the yield basis. The rate depends on the applicable scale and amounts 1.789% on the first scale (up to EUR 72,798), 4.185% on the second scale (between EUR 72,798 and EUR 1,005,573) and 5.28% on the third scale (EUR 1,005,573 and more). Actual income derived from the Shares will not be taken into account in box 3.

A liability for tax in box 3 will arise only if the yield basis exceeds the applicable exempt amount (“heffingsvrij

vermogen”), which is EUR 30.846 (for 2020). In case a Dutch resident individual has a partner (statutory defined term), the partners can choose to allocate their yield basis between them at random. An exempt amount of EUR 61,692 (for 2020) can be applied to the joint box 3 yield basis of the partners. A ‘partner’ will in any event be a spouse who is not living apart on a long-term basis. In some circumstances, unmarried adults living together may choose to be regarded as partners within the meaning of the Wet inkomstenbelasting 2001.

### Legal entities resident in the Netherlands

In the description of the following Dutch tax aspects for legal entities resident in the Netherlands, it is assumed that the legal entities have not been subjectively exempted from corporation tax and are not regarded as investment companies for tax purposes.

### Dutch Corporate income tax

Dividends received from the shareholding by the entity resident of the Netherlands for Dutch tax purposes (Dutch entity) should in principle be subject to a Dutch corporate income tax rate of 16.5% over the first EUR 200,000 of profits and 25% over the excess (for 2020). If the Shares of the shareholding are disposed, the capital gains realised by the Dutch entity should be taxable at the statutory Dutch corporate income tax rate. Any losses upon disposal of the shareholding should be deductible for Dutch corporation tax purposes. The participation exemption may in principle be applied by the Dutch entity if a percentage of 5% or more of the nominal paid-up capital of the company is held, provided that all other requirements of the Dutch participation exemption have been met. The Dutch participation exemption exempts income such as dividends, capital gains and losses derived from the shareholding.

### Policy with respect to voting rights and voting conduct

#### Triodos Microfinance Fund

In principle, the Sub-Fund will acquire a minority interest in the companies in which it invests equity. In the role of equity investor, the Sub-Fund will usually be represented in the board of directors. With respect to specific issues such as dividend distributions, the Sub-Fund wishes to have the ability to exercise voting rights.

### Statement

#### Statement Triodos Investment Management B.V.

Triodos Investment Management B.V. declares that it, the Company and the Depositary comply with the rules established in or by virtue of the Act relating to financial supervision (Wet financieel toezicht (Wft)) to the extent applicable, and that the Prospectus satisfies the rules set out in or by virtue of the Act relating to Wft.

# Assurance report of the independent auditor



*With respect to the examination under section 115x, subsection 1e of the BGfo Wft*

To: the board of directors of Triodos SICAV II

## Assurance report on the prospectus

### Our opinion

In accordance with Section 115x, subsection 1, under e, of the Besluit Gedragstoezicht financiële ondernemingen Wft (BGfo Wft, Decree on the Supervision of the Conduct of Financial Undertakings pursuant to the Act on Financial Supervision), we have examined the prospectus and the additional information (hereafter: prospectus) of Triodos SICAV II at Luxembourg.

In our opinion the prospectus dated May 2020 of Triodos SICAV II contains, in all material respects, at least the information required by or pursuant to the Wet op het financieel toezicht (Wft, Act on Financial Supervision) for a prospectus of an alternative investment fund.

### The basis for our opinion

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A 'Assuranceopdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attestopdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain reasonable assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the examination of the prospectus' section of our report.

We are independent of Triodos SICAV II in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

### Relevant matters relating to the scope of our examination

Our examination consists of determining whether the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Section 115x, subsection 1 under c of the BGfo Wft requires that the prospectus of an alternative investment fund contains the information which investors need in order to form an opinion on the alternative investment fund and the costs and risks attached to it.

Based on our knowledge and understanding, acquired through our examination of the prospectus or otherwise, we have considered whether material information is omitted from the prospectus. We did not perform additional assurance procedures with respect to Section 115x, subsection 1, under e, of the BGfo Wft.

Our opinion is not modified in respect of these matters.

### Responsibilities for the prospectus and the examination thereof

#### Responsibilities of the board of directors for the prospectus

The directors of the fund are responsible for:

- drawing up the prospectus that contains at least the information required for the prospectus pursuant to the Wft; and
- such internal control as it determines is necessary to enable the preparation of the prospectus that is free from material omissions, whether due to error or fraud.

#### Our responsibilities for the examination

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our examination has been performed with a high, but not absolute, level of assurance, which means we may not detect all material omissions in the prospectus due to error and fraud.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Procedures performed**

We have exercised professional judgement and have maintained professional scepticism throughout the examination, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our procedures have been limited to examining whether the prospectus of the fund contains at least the information required by the Wft for a prospectus and consisted, among other things, of:

- identifying and assessing the risks of material omissions in the prospectus, whether due to fraud or error, designing and performing assurance procedures responsive to those risks, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material omission resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control;
- obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.

Rotterdam, 28 May 2020

PricewaterhouseCoopers Accountants N.V.

J. IJspeert RA

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