

# Prospectus

## Triodos SICAV II

Société d'Investissement à Capital Variable  
Luxembourg

RCS Luxembourg B115 771

October 2015

Potential investors must be aware of the fact that some Sub-Funds are semi open-ended to the extent that investments made by such Sub-Funds may be illiquid. There is consequently no assurance that the liquidity of such investments will always be sufficient to meet redemption requests as and when made. The treatment of redemption requests in the relevant Sub-Funds may thus be postponed and the investors may be obliged to stay within the Sub-Fund for a period longer than expected.

# Preliminary.

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TRIODOS SICAV II (the “Company”) is offering shares (the “Shares”) of several separate sub-funds (individually a “Sub-Fund” and collectively the “Sub-Funds”) on the basis of the information contained in this prospectus (the “Prospectus”) and in the documents referred to herein. The distribution of the Prospectus is not authorised unless it is accompanied by the most recent annual and semi-annual reports of the Company, if any. Such report or reports are deemed to be an integral part of the Prospectus.

No person is authorised to give any information or to make any representations concerning the Company other than as contained in the Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in the Prospectus shall be solely at the risk of the purchaser.

The board of directors of the Company (the “Board of Directors”) has taken all reasonable care to ensure that the information contained herein is accurate and complete in all material respects. The Board of Directors accepts responsibility accordingly.

The Shares to be issued hereunder shall be issued in several separate Sub-Funds of the Company. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Company is commonly known as an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which one or more Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs. Furthermore, in accordance with the articles of incorporation of the Company (the “Articles”), the Board of Directors may issue Shares of different classes (individually a “Class” and collectively the “Classes”) in each Sub-Fund; within each Sub-Fund, investors may then also choose the alternative Class features which are most suitable for their individual circumstances, given notably their qualification, the amount subscribed, the denomination currency of the relevant Class and the fee structure of the relevant Class.

Shares of the different Classes if any, within the different Sub-Funds, may be issued and redeemed at prices computed on the basis of the net asset value (the “Net Asset Value”) per Share of the relevant Class within the relevant Sub-Fund, as defined in the Articles.

The Board of Directors may, at any time, create additional Classes of Shares whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the

Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated or supplemented accordingly.

Some of the Sub-Funds of the Company are semi open-ended, i.e. they are open-ended in principle, but can be temporarily closed, if trading is not possible and other Sub-Funds may be closed-ended as specified in the Sub-Fund Particulars for each relevant Sub-Fund.

Investors should be aware of a potential difference at any time between the issue and redemption price of Shares of some of the Sub-Funds. An investment in Shares of Sub-Funds should be viewed as a medium to long term investment. An investment in a Sub-Fund should not represent a complete investment program and may not be appropriate for all investors.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.

When marketing Shares in any territory of the EEA (other than Luxembourg) to Professional Investors (as such term is defined below) that are domiciled or have a registered office in the EEA, the AIFM intends to utilize marketing passports made available under the provisions of the AIFMD. Shares in a Sub-Fund may only be marketed pursuant to such passports to Professional Investors in those territories of the EEA in respect of which a passport has been obtained.

Luxembourg – The Company’s objective is to invest 20% or more of the net assets (“Net Assets”) of each Sub-Fund in assets other than Transferable Securities and other liquid financial assets referred to in Article 41 (1) of the law of 17 December 2010 on undertakings for collective investment (the “Law of 2010”). The Company is consequently registered pursuant to the provisions of Part II of the Law of 2010. The Company qualifies also as an externally managed AIF and has appointed Triodos Investment Management B.V. as its AIFM. The above registration does not, however, require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may

eventually lose all or part of the amount invested. Income from the Shares may fluctuate in monetary terms and changes in rates of exchange may cause the value of Shares to go up or down. The rates and bases of, and reliefs from, taxation may change.

Investors should inform themselves and should take appropriate advice as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, domicile or other eligible laws and which might be relevant to the subscription, purchase, holding, redemption or disposal of the Shares of the Company.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings, if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

**United States** – The Shares have not been and will not be registered under the United States Securities Act of 1933 for offer or sale as part of their distribution and the Company has not been and will not be registered under the United States Investment Company Act of 1940. However, in compliance with the National Securities Markets Improvement Act of 1996, the Company may privately place its Shares in the United States with an unlimited number of U.S. qualified purchasers, provided that such offer or sale is exempt from registration under the United States Securities Act of 1933 and provided that the Company qualifies for an exemption from the requirement to register under the United States Investment Company Act of 1940.

**United Kingdom** - This Prospectus has been approved by TRIODOS SICAV II. The Company has appointed Triodos IM as its alternative investment fund manager. Triodos IM is authorised under a European AIFM passport recognised by the UK Financial Conduct Authority ("FCA") of the United Kingdom ("UK") under the UK Financial Services and Markets Act 2000 ("FSMA"). Triodos IM does not provide any investment advice to any prospective investor. TRIODOS SICAV II is an alternative investment fund for the purposes of FSMA and subordinate legislation made under FSMA, including the Alternative Investment Fund Managers Regulations 2013 ("AIFMR"), the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 ("FPO") and the Financial Services and

Markets Act (Promotion of Collective Investment Schemes) (Exemptions) Order 2007 ("SPO"). The content of this Prospectus has not been issued or approved by a person authorised under FSMA, and nor is the Company considered to be a recognised collective investment scheme for the purposes of sections 264 or 272 FSMA. This means that there are strict controls on the promotion of the Company's shares in the UK, both by authorised and unauthorised persons within the meaning of FSMA.

This Prospectus is therefore directed only at persons ("permitted persons") to whom it may lawfully be directed under the legislation mentioned above, which relevantly includes the following:

- a. Professional investors within the meaning of regulation 2(1) of AIFMR, article 29 of the FPO and article 16 of the SPO;
- b. Investment professionals within the meaning of article 19 of the FPO or article 14 of the SPO (as applicable) – in particular, it is only directed at persons having professional experience in matters relating to investments (or, if applicable, in participating in AIFs);
- c. A body corporate which has a called-up share capital or net assets of not less than £5 million within the meaning of article 49 of the FPO or article 22 of the SPO (as applicable);
- d. An unincorporated association or partnership which has net assets of not less than £5 million within the meaning of article 49 of the FPO or 22 of the SPO (as applicable);
- e. A trustee of a trust whose assets have an aggregate value (before deducting the amount of its liabilities) in cash and investments of £10 million or more within the meaning of article 49 of the FPO or article 22 of the SPO (as applicable);
- f. A certified high net worth individuals within the meaning of paragraph 12.4(5) of Chapter 4 of the Conduct of Business Sourcebook ("COBS") of the FCA Handbook, being an individual who had during the immediately preceding financial year an annual income of £100,000 or more or net assets of £250,000 or more and who has signed within a period of 12 months a statement complying with COBS 4.12.6; and
- g. A self-certified sophisticated investor within the meaning of COBS 4.12.4(5), being an individual that is either (i) a member of a network or syndicate of business angels and has been so for at least the last six months prior to the date below; (ii) has made more than one investment in an unlisted company in the two years prior to the date below; (iii) is working, or has worked in the two years prior to the date that the statement referenced below is signed, in a professional

capacity in the private equity sector, or in the provision of finance for small and medium enterprises; and (iv) is currently, or has been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million, and who has signed within a period of 12 months a statement complying with COBS 4.12.8.

Shares in the Company are only available to permitted persons and other persons should not act or rely on this Prospectus. If you are in or receive this Prospectus in the UK, this Prospectus is provided to you on the basis that you are a permitted person. It is sent to you on the understanding that it is for your personal use and that you will not distribute it to anyone else. Such distribution may constitute an offence under FSMA.

Any recipient of this Prospectus in the United Kingdom who is in any doubt about the investment to which this document relates should consult a person authorised by the FCA specialising in advising in such securities.

The Company and its AIFM are not regulated by the FCA. The FCA has confirmed to the AIFM that it has received a notification form pursuant to AIFMR for EEA-AIFMs marketing EEA AIFs in an EEA Member State other than the home state of the AIFM in respect of the Company.

Belgium - Shares may only be offered to investors residing in Belgium for a minimum initial subscription amount of EUR 250,000. As a consequence, the commercialisation of the Shares is not to be qualified as a public offering pursuant to the Belgian regulations and the Prospectus may be distributed in Belgium without the Company needing to have an authorisation from the Financial Services and Markets Authority (FSMA) or an approval of the Prospectus.

Australia - The Company and its AIFM are foreign body corporates and are not registered in Australia. The provision of this document to any person does not constitute an offer of the Shares unless the recipient is a "Sophisticated Investor" under section 708(8), or a "Professional Investor" under section 708(11), of the "Corporations Act". This document is not a disclosure document under Part 6D.2 of the "Corporations Act" and is not a product disclosure statement under Part 7.9 of the "Corporations Act". It is not required to, and does not, contain all the information which would be required in a disclosure document or product disclosure statement. It has not been lodged with the Australian Securities and Investments Commission.

The Company and its AIFM do not hold an "Australian Financial Services Licence" to offer, issue, or provide financial product advice in relation to, the Shares. The "Licensee" which makes the offer of Shares as intermediary to you, and has arranged the provision of

financial product advice by the Company and / or its AIFM to you, holds "Australian Financial Services License" No. 223718.

Investors may not transfer or offer to transfer their Shares to any person located in Australia within 12 months of their issue unless: (1) that person is a "Sophisticated Investor" under section 708(8) or a "Professional Investor" under section 708(11) of the "Corporations Act" or is otherwise approved by the Company and / or AIFM in advance at their discretion; and (2) such transfer or offer is otherwise in accordance with the provisions of the "Corporations Act".

Date of Issue: October 2015

# Directory.

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<b>Registered Office</b>	11-13, Boulevard de la Foire L- 1528 Luxembourg
<b>Board of Directors</b>	Chairman Pierre Aeby, CFO of Triodos Bank
<b>Members</b>	<b>Marilou van Golstein Brouwers</b> , Managing Director of Triodos Investment Management <b>Patrick Goodman</b> , Independent, Partner of Innpack <b>Olivier Marquet</b> , Managing Director of Triodos Bank Belgium <b>Garry Pieters</b> , Independent, Associate of The Directors' Office Luxembourg
<b>AIFM</b>	Triodos Investment Management B.V. Registered office: Utrechtseweg 60 3704 HE Zeist The Netherlands Postal address: P.O. Box 55 3700 AB Zeist The Netherlands
<b>Distributor</b>	Triodos Investment Management B.V. Registered office: Utrechtseweg 60 3704 HE Zeist The Netherlands Postal address: P.O. Box 55 3700 AB Zeist The Netherlands
<b>Depository, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent</b>	RBC Investor Services Bank S.A. 14, Porte de France L-4360 Esch-sur-Alzette Luxembourg
<b>Independent Auditors</b>	KPMG Luxembourg S.à r.l. 31, Allée Scheffer L-2520 Luxembourg Luxembourg
<b>Legal Advisor</b>	Arendt & Medernach S.A. 14, rue Erasme L-2082 Luxembourg Luxembourg

Copies of the prospectus and any information relating thereto may be obtained from the registered office of the Company at 11-13, Boulevard de la Foire, L-1528 Luxembourg and from the relevant financial service provider.

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# Glossary of terms.

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<b>Administrative Agent</b>	RBC Investor Services Bank S.A.
<b>AFM</b>	the Netherlands Authority for the Financial Markets, the Dutch authority (or its successor) in charge of the supervision of the conduct of the financial markets in The Netherlands
<b>AIF</b>	alternative investment fund within the meaning of AIFMD, AIFMR and the Law of 2013
<b>AIFM</b>	Triodos Investment Management B.V. or such other entity as may, for the time being, be appointed as the alternative investment fund manager under AIFMD in relation to the Company
<b>AIFM Agreement</b>	the agreement between the Company and the AIFM, pursuant to which the AIFM was appointed alternative investment fund manager of the Company
<b>AIFMD</b>	directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directives 2003/41/EC and 2009/65/EC
<b>AIFMR</b>	delegated regulation 231/2013 of 19 December 2012 supplementing the AIFMD
<b>Articles</b>	the articles of incorporation of the Company dated 16 October 2014 as may be supplemented or amended from time to time
<b>Auditors</b>	KPMG Luxembourg S.à r.l.
<b>Board of Directors</b>	the board of directors of the Company
<b>British Pound/GBP</b>	the legal currency of the United Kingdom
<b>Business Day</b>	any day on which banks are open for business in Luxembourg
<b>Capitalisation Shares</b>	shares that capitalise their entire earnings
<b>Class</b>	each class of Shares within a Sub-Fund, which may differ, inter alia, in respect of their charging structures, types of targeted investors or other specific features
<b>Company</b>	TRIODOS SICAV II, which term shall include any Sub-Fund from time to time thereof
<b>CSSF</b>	the Luxembourg <i>Commission de Surveillance du Secteur Financier</i>
<b>Depository</b>	RBC Investor Services Bank S.A.
<b>Distribution Shares</b>	shares that give, in principle, to their holders the right to receive a dividend
<b>Distributor</b>	the AIFM and/or any distributor appointed by the Company from time to time in replacement of the AIFM. A full list of distributors is available at the Registered Office of the Company
<b>Domiciliary and Corporate Agent</b>	RBC Investor Services Bank S.A.
<b>EEA</b>	European Economic Area

<b>EU</b>	European Union
<b>Euro/EUR</b>	the legal currency of the European Monetary Union
<b>Initial Offering Period</b>	in relation to each Sub-Fund and each Class of Shares means the first offering of Shares in a Sub-Fund or Class of Shares made at the Initial Subscription Price pursuant to the terms of the Prospectus
<b>Initial Subscription Price</b>	in relation to each Class of Shares of each Sub-Fund means the amount provided for in the Sub-Fund Particular relating to such Sub-Fund as the subscription price per Share for the relevant Class of Shares during the Initial Offering Period
<b>Institutional Investor</b>	institutional investors, as defined by Article 174 (2) of the Law of 2010 and by guidelines or recommendations issued by the Regulatory Authority from time to time
<b>Law of 2010</b>	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
<b>Law of 2013</b>	the Luxembourg law of 12 July 2013 relating to alternative investment fund managers, as maybe amended from time to time
<b>Legal Advisor (as to Luxembourg law)</b>	Arendt & Medernach S.A.
<b>Market Timing</b>	an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value of the UCI
<b>Member State</b>	a member state of the European Union
<b>Mémorial</b>	the Mémorial C, Recueil des Sociétés et Associations
<b>Net Assets</b>	the total assets of the Company or attributable to the relevant Class of Shares or Sub-Fund less the liabilities of the Company or allocable to the relevant Class of Shares or Sub-Fund
<b>Net Asset Value</b>	has the meaning ascribed to that term under section “Net Asset Value”
<b>Ongoing Charges</b>	a ratio displaying the total costs incurred during the 12 month period prior to reporting date by a Sub-Fund (or Class of Shares thereof) but in general excluding costs of securities transactions and the interest charges, in relation to the average Net Asset Value which is based on all official calculations of this Net Asset Value over the same period prior to reporting date. Ex ante changes in the disclosable costs base which are material need to be taken into account in this calculation. For avoidance of any doubt, any taxes are excluded from the Ongoing Charges.
<b>Paying Agent</b>	RBC Investor Services Bank S.A.
<b>Professional Investors</b>	Professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive)
<b>Prohibited Person(s)</b>	has the meaning ascribed thereto in Section “Issue of Shares, Subscription and Payment Procedure – Restriction on ownership of Shares”



<b>Prospectus</b>	the Prospectus dated October 2015, as may be supplemented or amended from time to time
<b>Reference Currency</b>	currency of denomination of the relevant Class of Shares or Sub-Fund
<b>Registered Office</b>	11-13, Boulevard de la Foire, L- 1528 Luxembourg
<b>Registrar and Transfer Agent</b>	RBC Investor Services Bank S.A.
<b>Regulated Market</b>	market which is regulated, operates regularly and is recognized and open to the public
<b>Regulatory Authority</b>	the Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg
<b>Share</b>	each share within any Class of a Sub-Fund
<b>Shareholder</b>	a person recorded as a holder of Shares in the register of shareholders maintained by the Registrar Agent
<b>SICAV</b>	<i>Société d'Investissement à Capital Variable</i>
<b>Sub-Distributor</b>	any sub-distributor which has entered into a sub-distribution agreement with a Distributor
<b>Sub-Fund</b>	each sub-fund of the Company
<b>Sub-Fund Particulars</b>	part of the Prospectus containing specific information regarding each Sub-Fund
<b>Triodos IM</b>	Triodos Investment Management B.V., a Dutch entity regulated by AFM
<b>Transferable Securities</b>	<ul style="list-style-type: none"> <li>– shares and other securities equivalent to shares (“shares”)</li> <li>– bonds and other debt instruments (“debt securities”)</li> <li>– any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, with the exclusion of techniques and instruments</li> </ul>
<b>Triodos Group</b>	Triodos Group is an economic and organisational unity, under central control. The primary Group consists of all the legal entities in which Triodos Bank N.V. owns more than 50% of the economic rights. The secondary Group consists of all legal entities in which the primary Group has effective management control.
<b>UCI(s)</b>	Undertaking(s) for Collective Investment
<b>U.S.</b>	United States of America
<b>U. S. Dollar/USD</b>	the legal currency of the United States of America

**U.S. Person**

The term “U.S. Person” means a citizen or resident of, or a company or partnership organized under the laws of or existing in any state, commonwealth, territory or possession of the United States of America, or an estate or trust other than an estate or trust the income of which from sources outside the United States of America is not includible in gross income for purpose of computing United States income tax payable by it, or any firm, company or other entity, regardless of citizenship, domicile, situs or residence if under the income tax laws of the United States of America from time to time in effect, the ownership thereof would be attributed to one or more U.S. persons or any such other person or persons defined as a “U.S. person” under Regulation S promulgated under the United States Securities Act of 1933 or in the United States Internal Revenue Code of 1986, as maybe amended from time to time.

**Valuation Date**

the Business Day as of which the Net Asset Value of a Sub-Fund is calculated, as determined in the relevant Sub-Fund Particulars

# The Company, the Sub-Funds and the Classes of Shares.

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## The Company

The Company has been incorporated for an unlimited period under the laws of the Grand Duchy of Luxembourg as a “société d’investissement à capital variable” (SICAV) under the form of a “société anonyme” on 10 April 2006 organized under Part II of the Law of 2010 and is regulated by the CSSF. The Company qualifies as an externally managed AIF under the AIFMD and the Law of 2013.

The Company has appointed Triodos IM as its alternative investment fund manager in compliance with the Law of 2013 and the AIFMD. The AIFM, subject to the overall supervision, approval and direction of the Board of Directors, provide certain portfolio management, liquidity management, risk and compliance management and valuation services, subject to the investment policies and objectives set out in the sales documents of the Company. In addition the AIFM’s duties include distribution.

The minimum capital of the Company, as provided by law, which must be achieved within 6 months after the date on which the Company has been authorized as an undertaking for collective investment in Luxembourg, shall be EUR 1,250,000. The capital of the Company is represented by fully paid-up Shares of no par value.

The subscribed share capital at the incorporation of the Company was set at EUR 31,000 divided into thirty one (31) fully paid-up Shares of no par value.

The share capital of the Company will be equal, at any time, to the total value of the Net Assets of all the Sub-Funds.

Upon decision of the Board of Directors, the Company may issue shares. The Company may also issue debt instruments such as bonds; in this latter case, the Prospectus will be updated accordingly.

The Company is located in the Grand Duchy of Luxembourg at 11-13, Boulevard de la Foire, L- 1528 Luxembourg.

The Company has been registered with the Luxembourg Trade and Companies Register (Registre du commerce et des sociétés) under number B 115771. The Articles were last amended at the extraordinary general meeting of Shareholders held on 16 October 2014 and published in the Mémorial.

The Company is structured as an umbrella fund, which provides institutional, qualified and retail investors with a variety of Sub-Funds each of which relates to a separate portfolio of assets permitted by law and managed within specific investment objectives. Some of the Sub-Funds of the Company are semi open-ended, i.e. they are open-ended in principle, but can be temporarily closed, if trading is not possible and other Sub-Funds may be

closed-ended as specified in the Sub-Fund Particulars for each relevant Sub-Fund.

The Company shall be considered as one single legal entity. With regard to third parties, in particular towards the Company’s creditors, each Sub-Fund shall be exclusively responsible for all liabilities directly attributable to it.

## The Sub-Funds

The Sub-Fund Particulars specific to each Sub-Fund can be found at the end of the Prospectus.

The Board of Directors may, at any time, create additional Sub-Funds, whose investment objectives, Reference Currency or other features may differ from those then existing. Upon creation of new Sub-Funds, the Prospectus will be updated or supplemented accordingly.

## The Classes of Shares

In respect of each Sub-Fund, the Board of Directors may, at any time, decide to issue one or more Classes of Shares, each Class of Shares having (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure and/or (iii) different distribution, Shareholders servicing or other fees and/or (iv) different types of targeted investors and (v) such other features as may be determined by the Board of Directors from time to time. Upon creation of new Classes of Shares, the Prospectus will be updated or supplemented accordingly.

The Sub-Fund Particulars indicate, for each Sub-Fund, which Classes of Shares are available and their characteristics.

Shares of different Classes of Shares within each Sub-Fund may be issued or redeemed at prices computed on the basis of the Net Asset Value per Share of the relevant Class of Shares or Classes of Shares within the relevant Sub-Fund, as more fully described in the Sub-Fund Particulars for each Sub-Fund.

For the avoidance of doubt, the Company shall in any event issue Class P Shares. Class “P” Shares are issued to entities of Triodos Group. Class “P” Shares gives the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the Company out of which a majority of the directors of the Company must be appointed.

# Investment objectives and policies.

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The Company is a socially responsible investment fund, the objective of which is to invest the funds available to it in risk-bearing assets (equity and quasi-equity, and/or other assets permitted by law) and senior debt instruments, in line with the general objective of Triodos Group to finance companies, projects and financial institutions, that benefit people and the environment, to encourage the development of socially responsible, ecologically sustainable and innovative business, while affording its Shareholders a fair return from the management of its assets.

Each Sub-Fund shall pursue an independent investment policy with investment restrictions that may differ for each of them. The investment policy and the investment restrictions are set out for each Sub-Fund in the relevant Sub-Fund Particulars.

Generally, the Sub-Funds will all invest in companies not listed on any stock exchange. However, investments may also be made into companies that are listed or deemed to become listed on any stock exchange later on.

Potential investors must be aware of the fact that some Sub-Funds are semi open-ended to the extent that investments made by such Sub-Funds may be illiquid. There is consequently no assurance that the liquidity of such investments will always be sufficient to meet redemption requests as and when made. The treatment of redemption requests in the relevant Sub-Funds may thus be postponed in accordance with the section "Redemption of Shares".

The Board of Directors is entitled to modify the investment strategy or policy as well as the objective and investment restrictions of one or several Sub-Funds, subject to the prior approval of the CSSF. In such case, Shareholders of the relevant Sub-Fund(s) shall be informed prior to the effective date of the modifications and shall be granted the right to request redemption of their Shares, free of redemption fees or, whenever possible, to convert their Shares in Shares of the same or another Class in a different Sub-Fund. The Prospectus shall be updated to reflect the modifications decided by the Board of Directors.

## Pooling and co-management

For the purposes of efficient management and to reduce administrative costs and if the investment policies of the Sub-Funds allow it, the Board of Directors may decide to co-manage some or all of the assets of certain Sub-Funds ("Co-managed Sub-Funds"). In this case, the assets from different Sub-Funds will be jointly managed using the technique of pooling. Assets that are co-managed will be referred to using the term "pool". Such pools will only be

used for the purposes of internal management. They will not constitute distinct legal entities and will not be directly accessible to Investors. Each Co-managed Sub-Fund will have its own assets allocated to it.

When the assets of a Sub-Fund are managed using this technique, the assets initially attributable to each Co-managed Sub-Fund will be determined according to the initial participation in the pool of such Co-managed Sub-Fund. Thereafter, the composition of the assets will vary according to contributions or withdrawals made by the Co-managed Sub-Funds.

This apportionment system applies to each investment line of the pool. Additional investments made by the Co-managed Sub-Funds will, therefore, be allocated to these Sub-Funds according to their respective entitlements, while assets sold will be similarly deducted from the assets attributable to each of the Co-managed Sub-Funds.

All banking transactions involved in the running of a Sub-Fund (dividends, interest, non-contractual fees, expenses) will be accounted for in the pool and reassigned from an accounting point of view to the Co-managed Sub-Funds, on a pro rata basis on the day the transactions are recorded (provisions for liabilities, bank recording of income and/or expenses). On the other hand, contractual fees (e.g. for custody, administration and management) will be accounted for directly in the respective Co-managed Sub-Funds.

The assets and liabilities attributable to each Sub-Fund will be identifiable at any given moment and remain legally segregated.

The pooling method will comply with the investment policy of each of the Sub-Funds concerned.

# Risk factors.

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## Specific risk factors for the Company

In general, the Company will invest in risk-bearing, most often non-listed, assets that are not liquid in the short term. In most cases, added value in the Company will be generated over the longer term. Thus, investments in a Sub-Fund of the Company require a medium to long-term investment horizon of the investor.

In general, the Company will take the risks that it deems reasonable to achieve the objectives of the various Sub-Funds which have different investment strategies and therefore risk profiles. It cannot, however, guarantee that it will achieve its goals given market fluctuations and other risks to which the investments are exposed.

Therefore, investors must realize that the value of their investment may fall as well as rise and that past performance is not a guide for future performance.

## Legal risk

The Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Company and its operations.

Specifically, investors should note that, in compliance with the relevant provisions of the AIFMD governing the provision of services on a cross-border basis by authorised AIFMs, the Company is managed by an AIFM authorised under Dutch law and regulated by the AFM whereas the Company is authorised under the Law of 2010 and regulated by the CSSF. In general terms, as further detailed in the AIFMD, Dutch law governs matters relating to the organisation of the AIFM whereas the Law of 2010 governs matters relating to the constitution and functioning of the Company. However, specific situations may occur where it may be unclear whether Dutch law or Luxembourg law applies to, and/or whether the AFM or the CSSF has jurisdiction over, the activities of the AIFM and the Company, thereby leading to legal uncertainty.

## Specific risk factors for the Sub-Funds

As the Sub-Funds differ significantly in their investment policy and associated risks, it is important to study the specific risk factors for each Sub-Fund. Please refer to the relevant Sub-Fund Particulars for specific risk factors applying to each of the Sub-Funds.

# Risk management.

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The AIFM has implemented an Integral Risk Management System throughout the organisation in order to adequately monitor and manage the risks related to the Sub-Funds (as determined in the Sub-Fund Particulars). This Risk Management System comprises of a Risk Management Framework, based on the COSO Framework for Integral Risk Management, policies and procedures designed in accordance with European regulations and best market practices and a permanent independent risk management function.

The Risk Management Framework describes amongst others, the roles and responsibilities of the risk management function, the risk governance (three lines of defence model) at the AIFM level and AIF level and the risk management process to identify, measure, mitigate, monitor, report and evaluate all relevant risks related to the investments of the Sub-Funds.

The permanent risk management function is responsible for the implementation and execution of the risk management process and policies and serves as a risk consultant. The risk management function is functionally and hierarchically separated from the portfolio management function.

Given the special liquidity characteristics of the investments, the risk management function designed a specific liquidity (risk) management policy framework applicable to the Sub-Funds (see Liquidity Management).

## Exposure calculation

The Company's exposure is calculated by the AIFM in accordance with two cumulative methods: the "gross method" and the "commitment method". The gross method gives the overall exposure of the Company whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

## Leverage

The leverage effect is determined by the AIFMD as being any method by which the AIFM increases the exposure of the Company whether through borrowing of cash or securities leverage embedded in derivative positions or by any other means. The leverage creates risks for the Company.

The leverage is controlled on a frequent basis and shall not exceed such thresholds as further described in the Sub-Funds Particulars, using both the "gross method" and the "commitment method". The gross method gives the overall exposure of the Sub-Fund whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

## Liquidity Management

The AIFM established a Liquidity Management Policy Framework, in accordance with European regulations and best market practices, to ensure that liquidity risk is appropriately measured, monitored and managed at the Sub-Funds. The Framework comprises of policies and procedures to:

- Ensure the availability of sufficient liquidity to meet financial obligations and adequately manage excess liquidity to act in the best interest of investors in the Sub-Funds. Investors should carefully take note that given the type of assets that there is no guarantee that there are sufficient funds to pay for the redemption of Shares of the Sub-Fund and there is no guarantee that the redemption can take place at the requested date.
- Assess the risk of insufficient liquidity by regularly conducting tests under normal and exceptional (stress test) liquidity conditions.
- Provide adequate escalation measures in case of liquidity shortage or distressed situations (liquidity contingency plan).
- Ensure coherence of the fund's investment strategy, liquidity profile and redemption policy.

The AIFM implemented standardized methods to monitor the liquidity position of the Sub-Funds and to assess near-future developments regarding liquidity, including early warning parameters. The liquidity position of the Sub-Funds is monitored at both the Sub-Fund level as the AIFM level.

In accordance with the Law of 2013, the AIFM conducts stress tests on a regular basis in order to evaluate and measure the liquidity risk of the Sub-Funds. In the Manual for Liquidity Stress Testing, the AIFM designed a standardized approach for conducting liquidity stress testing at the Sub-Fund level, simulating normal and exceptional liquidity circumstances.

The liquidity stress testing approach is derived from the Basel III legislation on liquidity management for banking. Several liquidity metrics are adjusted to be appropriate for the Sub-Funds and are subject to predetermined historical and/or hypothetical stress events and scenarios. These stress events and scenarios are determined by the risk management function together with the portfolio management function.

In accordance with the Law of 2013, both the liabilities side (funding) as the asset side (market) are part of the stress tests. A-typical redemption requests of investors and a shortage of (market) liquidity are, amongst others, simulated in the stress tests. However, given the relative illiquid nature of the Sub-Funds' assets, the market side in terms of liquidity time and liquidity value is incorporated in a conservative manner.

If deemed necessary, the AIFM may recommend to the Board to take the appropriate measure in order to ensure the liquidity of the relevant Sub-Fund, and notably to suspend the calculation of the Net Asset Value and in consequence the issue and /or redemption of Shares.

The AIFM shall ensure, for each Sub-Fund, the coherence between the investment strategy, the liquidity profile and the redemption policy.

# Conflicts of interest.

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Prospective investors should note that the AIFM, the Depositary and their respective affiliates, directors, officers and Shareholders may be involved in other financial, investment and professional activities which may cause conflicts of interest in their relationships with the management and administration of the Company. The following considerations are given on a non-exhaustive basis.

In the event that any member of the Board of Directors has an interest conflicting with that of the Company in a transaction which is subject to the approval of the Board of Directors, that member must make such interest known to the Board of Directors and cause a record of his/her statement to be included in the minutes of the meeting.

This member must not deliberate or vote upon any such transaction. Such abstention from voting shall not be counted when calculating the quorum. Any such transaction must be specifically reported at the next meeting of Shareholders before any other resolution is put to a vote.

The AIFM shall act in the best interests of the Company. The AIFM shall immediately inform the Company of any circumstance where the Company would participate in a transaction in which the AIFM or any of its affiliates have directly or indirectly a material interest or a relationship with another party which may involve a conflict with the AIFM's duty to the Company. Any such transaction will be specifically reported in the Company's annual report.

The AIFM may also act as the alternative investment fund manager for other funds that have investment programs that are similar to the Company. Such situation may give rise to conflicts of interest.

Where conflicts of interest cannot be avoided and there exists a risks of damage to Shareholders' interests, the AIFM shall inform the Shareholders of the general nature or causes of the conflicts of interest and develop appropriate policies and procedures in order to mitigate such conflicts while ensuring equal treatment between the Shareholders and ensuring that the Company is treated in an equitable manner. Such information will be disclosed on the following website: [www.triodos.com](http://www.triodos.com).

Shareholders should be aware that management of conflicts of interest can lead to a loss of investment opportunity or to the AIFM having to act differently than the way it would have acted in the absence of the conflict of interest. This may have a negative impact on the performance of the Company and its Sub-Funds.

No investment manager can be appointed if its interests are likely or will conflict with those of the AIFM or the Shareholders, save where such investment manager has separated, on a functional and hierarchical basis, the performance of its portfolio management or risk

management tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders.

The Depositary, in carrying out its role as depositary of the Company, must act solely in the interest of the Shareholders. The Depositary will ensure that where: (i) any conflicts of interest arise between it and the Company, the Shareholders or the AIFM, the performance of its depositary tasks is functionally and hierarchically separate from its other potentially conflicting tasks; and (ii) any conflicts of interest arise between the safekeeping delegate and the Company, the Shareholders or the AIFM, the performance of the safekeeping tasks is functionally and hierarchically separate from the safekeeping delegate's other potentially conflicting tasks. The Depositary will at all times have regard to its obligations under applicable laws.

As part of the normal course of its business, the Depositary or the safekeeping delegate may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. These arrangements may result in the Depositary or the safekeeping delegate having conflicts of interest with the Fund, the Shareholders or the AIFM; however, as of the date of the Prospectus, the Depositary has not identified any conflict of interest with the third parties to whom safekeeping function has been delegated.

Under a currency hedging services agreement dated 11 April 2012 between the Company and RBC Investor Services Bank S.A. as may be amended by the parties, RBC Investor Services Bank S.A., also acting as the Depositary of the Company, may also both: (i) execute partly the hedging policy of the Company and (ii) act as a counterparty to FX transactions governed by this agreement. The Sub-Funds can enter into derivatives or FX contracts with Triodos Bank NV, an entity belonging to the same group as Triodos IM. Such situations may give rise to conflicts of interest.

No Shareholder will be required or expected to disclose or make available to the Company investment opportunities it may pursue for its own account or in the capacity of a Shareholder or manager or advisor of any other UCI, including investment opportunities suitable to or under consideration by the Company.

In the course of their regular business activities, Shareholders may possess, or come into possession of, information directly relevant to investment decisions of the Company and of the AIFM. No such Shareholders will be required or expected to disclose or otherwise reveal any such information to third parties, including the Company and the AIFM.



# Net Asset Value.

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## Valuation Date

The Net Asset Value of each Sub-Fund is calculated as of the Valuation Date specified in the relevant Sub-Fund Particulars.

## Reference Currency

The Net Asset Value per Share of each Class of Shares in each Sub-Fund is calculated in its Reference Currency, as specified in the relevant Sub-Fund Particulars.

## Net Asset Value

The Net Asset Value for each Sub-Fund will be determined as of the relevant Valuation Date.

The Net Asset Value per Share of each Class of Shares for each Sub-Fund is determined by dividing the value of the total assets of the Sub-Fund properly allocable to such Class of Shares less the liabilities of the Sub-Fund properly allocable to such Class of Shares by the total number of Shares of such Class of Shares outstanding as of any Valuation Date.

In calculating the Net Asset Value, income and expenditure are treated as accruing from day-to-day. The Net Asset Value shall be determined by the Administrative Agent.

The value of the assets in each Sub-Fund shall be determined by the AIFM, based on the information it has received as explained hereinafter, and under the supervision of the Board of Directors. For such purpose, the AIFM, having due regards to the standard of care and due diligence in this respect, may, when calculating the value of the assets, completely and exclusively rely, unless there is manifest error or negligence, upon the valuations provided (i) by various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters) or fund administrators, (ii) by brokers, or (iii) in exceptional circumstances by (an) external valuer(s) appointed by the AIFM, subject to mandatory professional registration recognised by law or to legal or regulatory provisions or rules of professional conduct and providing sufficient professional guarantees to be able to perform effectively the relevant valuation function, finally, (iv) in the case no prices are found or when the valuation may not correctly be assessed, the valuation determined by the AIFM. The external valuer shall not delegate the valuation function to a third party. The liability of the AIFM towards the Company and its investors shall not be affected by the fact that the AIFM has appointed an external valuer.

The general rules for valuation of the assets are listed below. Specific rules and/or additional details may be specified in the relevant Sub-Fund Particulars of the

concerned Sub-Fund. All financial statements are in accordance with International Standards on Auditing as adopted for Luxembourg.

- a. The valuation of private equity investments (such as equity, subordinated debt and other types of mezzanine finance) is based on the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, as published from time to time by the IPEV Board, and is conducted with prudence and in good faith.
- b. Senior debt instruments, invested in / granted to companies not listed or dealt in on any stock exchange or any other Regulated Market, will be valued at fair market value, deemed to be the nominal value, increased by any interest accrued thereon; such value will be adjusted, if appropriate, to reflect the appraisal of the AIFM on the creditworthiness of the relevant debtor. The AIFM will use its best effort to continually assess this method of valuation and make changes, where necessary, to ensure that debt instruments will be valued at their fair value as determined in good faith by the AIFM.
- c. The value of money market instruments not listed on any stock exchange or dealt in on any other Regulated Market and with a remaining maturity of less than 12 months is deemed to be the nominal value thereof, increased by any interest accrued thereon.
- d. The value of securities which are admitted to official listing on any stock exchange shall be based on the latest available price or, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities, and each security dealt on any other Regulated Market shall be based on the last available price. In the event that, this price is, in the opinion of the AIFM, not representative of the fair market value of such securities, for example in the case of illiquid securities and/or stale prices, the AIFM will value the securities at fair market value according to their best judgment and information available to them at that time.
- e. Units or shares of open-ended UCIs will be valued at their last official net asset values, as reported or provided by such UCI or their agents, or at their last unofficial net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the AIFM, as to the reliability of such unofficial net asset values.
- f. The liquidating value of futures, forward or options contracts not admitted to official listing on any stock exchange or dealt on any other Regulated Market shall mean their net liquidating value determined, pursuant

to the policies established prudently and in good faith by the AIFM, on a basis consistently applied for each different variety of contracts.

- g. The value of any cash at hand or on deposit, bills and demand notes and accounts receivable, prepaid expense, cash dividends declared and interest accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discounts as the AIFM may consider appropriate to reflect the true value thereof.
- h. Swaps, as far as credit swaps are concerned, will be valued at fair market values as determined prudently and in good faith by the AIFM.
- i. All other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the AIFM.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the AIFM is authorized, prudently and in good faith, to follow other rules in accordance with procedures approved by the Auditors, in order to achieve a fair valuation of its assets.

The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund or Class of Shares will be converted into the Reference Currency of such Sub-Fund or Class of Shares.

The Net Asset Value of the Company is at any time equal to the total of the Net Asset Values of the various Sub-Funds, converted, as the case may be, into Euro.

## Temporary suspension of calculation of Net Asset Value

The Company may temporarily suspend the calculation of the Net Asset Value within any Sub-Fund and in consequence suspend the issue and/or redemption of Shares in any of the following events:

- a. during any period when any one of the stock exchanges or other principal markets on which a substantial portion of the investments of the Company attributable to such Sub-Fund, from time to time, is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such Sub-Fund quoted or dealt in thereon;

- b. during any period when, as a result of political, economic, military or monetary events on any circumstances outside the control, responsibility and power of the Board of Directors, or the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposal or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable;
- c. during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of the Company attributable to such Sub-Fund or the current prices or values on any stock exchanges or other markets in respect of the assets attributable to such Sub-Fund;
- d. during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- e. when for any other reason the values of any investment(s) owned by the Company attributable to such Sub-Fund cannot be promptly or accurately ascertained;
- f. upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving the winding-up of the Company or any Sub-Fund(s), on merging the Company or any Sub-Fund(s), or informing the Shareholders of the decision of the Board of Directors to terminate or merge any Sub-Fund(s);
- g. during any other period or situation, when, in the opinion of the Board of Directors, the Net Asset Value cannot be promptly or accurately calculated.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue and redemption of Shares of any other Sub-Fund.

Any request for subscription or redemption shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value in the relevant Sub-Fund in which case applicants and Shareholders, may give notice that they wish to withdraw their application. If no such notice is received by the Company, such application will be considered on the first Valuation Date following the end of the period of suspension.

Notice of the beginning and of the end of any period of suspension will be given by the Company to any applicant or Shareholder as the case may be applying for purchase or redemption of Shares in the Sub-Fund(s) concerned.

## Publication of Net Asset Value

The Net Asset Value per Share of each Class of Shares within each Sub-Fund is made public at the Registered Office.

# The Shares.

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The Board of Directors is authorised without limitation to issue Shares of any Class of Shares at any time within each Sub-Fund, whose characteristics may differ from those Classes of Shares then existing. Upon creation of new Classes of Shares, the Prospectus will be updated or supplemented accordingly.

The Shares of each Class of Shares have no par value and, within each Class of Shares, are entitled to participate equally in the profits arising in the respect of, and in the proceeds of a liquidation of, the Sub-Fund to which they are attributable. Fractions of Shares may be issued up to three decimal places of a Share and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the dividend's distribution and in the proceeds of redemption and liquidation attributable to the relevant Shares in the relevant Sub-Fund on a pro rata basis.

The Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class of Shares to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of Shareholders. The Shares are issued in registered form with no par value and must be fully paid up. The Company reserves the right to issue bearer Shares as well.

The inscription of the Shareholder's name in the register of Shares evidences his or her right of ownership of such registered Share.

Unless a Share certification is requested, a holder of registered Shares shall not receive a written confirmation of his or her shareholding.

In each Class of Shares within each Sub-Fund, the Company may issue Distribution Shares or Capitalisation Shares.

The Sub-Fund Particulars indicate, for each Sub-Fund, which Classes of Shares are available and their characteristics.

Subscriptions and redemptions are dealt with at an unknown Net Asset Value. Purchases of Shares should be made for investment purposes only. The Company does not permit Market-Timing or other excessive trading practices. Excessive, short-term (Market-Timing) trading practices may disrupt portfolio management strategies and harm the Company's performance.

The Company may take the necessary measures to protect the other investors. To minimise harm to the Company and the Shareholders, the Board of Directors reserves the right to reject any subscription orders from an investor who the Company suspects of using such practices, or levy a fee of up to 2% of the value of the order for the benefit of the Company from any Shareholder who is engaging in excessive trading or has a history of

excessive trading or if a Shareholder's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Company or any of its Sub-Funds. In making this judgment the Board of Directors may consider trading done in multiple accounts under common ownership or control. The Board of Directors has the power to redeem all Shares held by a Shareholder who is or has been engaged in excessive trading. The Board of Directors or the Company will not be held liable for any loss resulting from rejected orders or mandatory redemptions.

# Issue of Shares, subscription and payment procedure.

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## Issue of shares

Shares are issued as of each Valuation Date according to the procedure indicated in the Sub-Fund Particulars for each Sub-Fund.

## Initial subscription

The Initial Subscription Period and related procedures for all new Sub-Funds and Classes of Shares shall be specified for each Sub-Fund in the relevant Sub-Fund Particulars.

## Issue of Shares after the Initial Subscription Period

For each Sub-Fund, subscription requests are processed according to the frequency indicated in the relevant Sub-Fund Particulars. Any subscription for new Shares must be fully paid up.

Subscription prices are based on the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub-Fund plus any applicable subscription charges of up to a maximum of 5% of the Net Asset Value for the benefit of the Distributor, the Sub-Distributor(s) and/or other selling agents, as indicated in the relevant Sub-Fund Particulars.

Applicants must meet the minimum investment or other eligibility requirements provided for in the relevant Sub-Fund Particulars for the relevant Sub-Fund.

Applications for Shares must be made in writing (by fax or courier) to the Registrar Agent in Luxembourg or to any Distributor or Sub-Distributor indicated on the application form for subscriptions of Shares. Subsequent applications may be made either in writing or by fax. The Company may also decide that applications may be made by electronic or other means (provided that a duly completed application form in writing is received for initial subscription applications). Application forms are available from the Registrar Agent, Distributor or relevant Sub-Distributor. The Company reserves the right to reject, in whole or in part, any application for Shares.

Joint applicants must each sign the application form unless an acceptable power of attorney or other written authority is provided.

Different subscription procedures and time limits may apply if applications for Shares are made through a Sub-Distributor. In such instances, the Sub-Distributor will inform the applicant of the subscription procedure relevant to that applicant, together with any time limit by which the application must be received. However, in all

cases, the application form has to be transmitted to the Registrar Agent in Luxembourg before the official cut off time provided for in the Prospectus. No Sub-Distributor is permitted to withhold subscription orders to benefit itself from a price change. Investors should note that they may be unable to purchase or redeem Shares through a Sub-Distributor on days that such Sub-Distributor is not open for business.

The Company retains the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Company also reserves the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

If the Board of Directors determines that it would be detrimental to the existing Shareholders to accept a cash application for Shares of any Sub-Fund which represents more than 10% of the Net Assets of such Sub-Fund, the Board of Directors may decide that all or part of the application for Shares in excess of 10% be deferred until the next Valuation Date. If the Board of Directors decides to defer all or part of the application in excess of 10% the applicant shall be informed prior to the deferral taking place.

## Restriction on ownership of Shares

The Company may restrict or prevent the ownership of Shares in the Company by any person, firm or corporate body, if such person, firm or corporate body holds, without written authorization by the Board of Directors more than 7.5% of the Shares of any Sub-Fund at the time of issue or any time thereafter, if in the opinion of the Company such holding may be harmful to the Company, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Company may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Board of Directors being herein referred to as "Prohibited Persons"). In particular, the Board of Directors has resolved to issue Class "I" Shares to Institutional Investors only, Class "Q" Shares to Institutional Investors, professional investors and certain qualified private investors, such as clients of private banks and/or high net worth individuals, depending on their country of residence and Class "P" Shares to entities of the Triodos Group. Ownership of Shares by U.S. Persons is subject to the approval of the Board of Directors.

## Contributions in kind

Unless expressly prohibited in the Sub-Fund Particulars, the Company may, at the discretion of the Board of Directors, accept payment in whole or in part by a contribution in kind of suitable assets, provided that such assets comply with the investment objectives, policies and restrictions of the relevant Sub-Fund and the conditions set forth by Luxembourg law. Any applicable subscription charge will be deducted before investment commences. The investments forming the contribution in kind will be valued and a valuation report will be obtained from the Auditors. The transaction costs (including the Auditors' valuation report) incurred in connection with the acceptance by the Company of a contribution in kind will be borne directly by the incoming Shareholder. The value so determined, together with the Net Asset Value calculated for the Class of Shares concerned in the relevant Sub-Fund, will determine the number of Shares to be issued to the incoming Shareholder. The purpose of the foregoing policy is to ensure that the existing Shareholders in a Sub-Fund do not bear the transaction costs of acquiring additional assets for a large incoming Shareholder.

## Payment procedure

Applicants for any Class of Shares may make payment in the same currency as the Net Asset Value per Share is issued. The Administrative Agent will arrange for any necessary currency transaction to convert the subscription monies, which are not in the same currency as the Net Asset Value per Share is issued, into the Reference Currency of the relevant Sub-Fund or Class of Shares. Any such currency transaction will be effected with the Depositary or a Distributor at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrative Agent may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

## General provisions

The Company reserves the right to reject any application or to accept the application in part only. Furthermore, the Board of Directors reserves the right at any time, without notice, to discontinue the issue and sale of Shares of any Class of Shares in any or all Sub-Funds.

If any application is not accepted in whole or in part the monies associated with the application or the balance outstanding will be returned to the applicant by post or bank transfer at the applicant's risk.

The Company, the AIFM, the Registrar and Transfer Agent, the Distributors, the Sub-Distributors, if any, and their officers will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to prevention of money laundering and terrorism financing.

Applicants may be required to furnish independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested. Failure to provide such information or documentation in a timely manner could result in delay in the allotment of Shares, or in a refusal to allot Shares.

# Redemption of Shares.

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Some of the Sub-Funds of the Company are semi open-ended, i.e. they are open-ended in principle, but can be temporarily closed if trading is not possible and other Sub-Funds may be closed-ended as specified in the Sub-Fund Particulars for each relevant Sub-Fund. Thus, unless otherwise specified in the relevant Sub-Fund Particulars for the relevant Sub-Fund, any Shareholder of the Company may ask for the redemption of all or part of his Shares, subject to the restrictions as stated in the Prospectus and the relevant Sub-Fund Particulars. The Shareholders may do so by fax or by letter to the Distributor or Sub-Distributor or the Registrar and Transfer Agent. The Company may also decide that applications for redemptions may be made by electronic or other means. The application for redemption must include the name of the Shareholder, the Sub-Fund, the Class of Shares and the number of Shares to be redeemed and indicate the address to which payment should be sent.

Redemption requests are processed according to the frequency and with the prior notice period specified in the relevant Sub-Fund Particulars for each Class of Shares.

Different redemption procedures and time limits may apply if applications for redemption are made through a Sub-Distributor. In such instances, the Sub-Distributor will inform the applicant of the redemption procedure relevant to that applicant, together with any time limit by which the application must be received.

No Sub-Distributor is permitted to withhold redemption orders received to benefit itself from a price change. Investors should note that they may be unable to redeem Shares through a Sub-Distributor on days that such Sub-Distributor is not open for business.

Shares shall be redeemed on the basis of the Net Asset Value of the relevant Sub-Fund less any redemption costs as indicated in the relevant Sub-Fund Particulars. The redemption price may further be decreased by any applicable transaction costs of up to a maximum of 3% of the Net Asset Value, payable to the Distributor, the Sub-Distributor(s) and/or other selling agents, as indicated in the relevant Sub-Fund Particulars. The level of these transaction costs can be obtained from the Distributor or Sub-Distributor.

The applicant will be notified of the redemption proceeds as soon as reasonably practicable after determination of the Net Asset Value. Shareholders are reminded that the redemption proceeds can be higher or lower than the initial subscription amount, due to fluctuations in the value of the underlying investments.

Payment for Shares redeemed will be effected according to the frequency specified in the Sub-Fund Particulars. Such redemption will be paid in the relevant Reference Currency. Redemption proceeds may be converted into

any freely transferable currency at the Shareholder's request and expense.

Unless expressly prohibited in the Sub-Fund Particulars, the Company in its sole and absolute discretion may seek such Shareholder's acceptance for a payment in whole or in part by a distribution in kind of securities in lieu of cash. The Company will agree to do so if it determines that such transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Class of Shares or Sub-Fund. The securities forming the distribution in kind will be valued and a valuation report will be obtained from the Auditors. Any costs incurred in connection with a redemption in kind shall be borne by the relevant Shareholder. Shareholders who receive the securities in lieu of cash upon redemption should note that they may incur brokerage and/or local tax charges on the sale of the securities. In addition, the net proceeds from the sale by the redeeming Shareholder of the securities may be more or less than the redemption price due to market conditions and/or the difference between the prices used to calculate the Net Asset Value and bid prices received on the sale of the securities.

If, as a result of any request for redemption, the aggregate Net Asset Value of the Shares held by any Shareholder in any Sub-Fund would fall below the minimum amount indicated in the section "Subscriptions" of the relevant Sub-Fund Particulars, then the Company may treat such request as a request to redeem all Shares held by such Shareholder.

## Compulsory redemption

If it shall come to the attention of the Company at any time that Shares are beneficially owned by a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Company with evidence of such sale within thirty days of being so directed by the Company, the Company may at its discretion compulsorily redeem such Shares at their redemption price in accordance with the Articles. Immediately after the close of business specified in the notice given by the Company to the Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investors will cease to be the owners of such Shares. The Company may require any Shareholder or prospective Shareholder to furnish it with any information which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person.



## Procedures for redemptions in excess of the available liquidities

If any application for redemption is received in respect of any relevant Valuation Date (the “First Valuation Date”) which either singly or when aggregated with other applications so received, is in excess of the available liquidities of any one semi open-ended Sub-Fund, the Company may reserve the right in its sole and absolute discretion (and in the best interests of the remaining Shareholders) to execute applications with respect to such First Valuation Date, in the order in which they are received by the Company or the Registrar and Transfer Agent, so that not more than the available liquidities of the relevant Sub-Fund be redeemed on such First Valuation Date. Accordingly, Shareholders must be aware that redemption requests may not be reduced on pro rata basis. In other words: if, in the opinion of the Board of Directors it is not in the interest of the Company and/or any semi open-ended Sub-Fund to redeem Shares, the redemption of Shares can be temporarily suspended. To the extent that any application is not executed on such First Valuation Date by virtue of the order of receipt of applications, it shall be processed on the next Valuation Date and, if necessary, subsequent Valuation Dates, until such application shall have been satisfied. With respect to any application received in respect of the First Valuation Date, to the extent that subsequent applications shall be received in respect of following Valuation Dates, such later applications shall be postponed in priority to the satisfaction of applications relating to the First Valuation Date, but subject thereto shall be dealt with as set out in the preceding sentence. Shares not redeemed from the relevant Sub-Fund by virtue of the foregoing restrictions will remain at risk to the relevant Sub-Fund’s business until the effective date of the redemption. For the avoidance of doubt, liquidities already committed for investments or about to be committed for investments in the short term are not available liquidities within the meaning of the foregoing paragraph.



# Conversion of Shares.

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Any Shareholder is entitled to require the conversion of whole or part of his Shares of one Class of Shares within a Sub-Fund into Shares of another Class of Shares within the same Sub-Fund, subject to restrictions as to the terms, conditions and payment of such charges and commissions as further described in relevant Sub-Fund Particulars.

# Charges and expenses.

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## General

The Company shall pay for setting up, promotion and operating costs. In particular, these costs shall include but not be limited to formation expenses, fees payable to the AIFM, fees and expenses payable to its accountants, Depositary, Paying Agent, Administrative Agent, Domiciliary and Corporate Agent, Registrar and Transfer Agent and their correspondents, its listing agent, if applicable, any paying agent, any Distributor and permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Board of Directors, their insurance coverage, and reasonable travelling costs and out of pocket expenses in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising, translating and distributing the Prospectus, explanatory memoranda, periodical reports or registration statements, and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount on a pro rata basis for yearly or other periods.

Each Sub-Fund shall pay for the costs and expenses directly attributable to it, in addition to such other expenses as listed in the relevant Sub-Funds Particulars, as the case may be (see “Other Expenses” in the relevant Sub-Fund Particulars). In particular, subject to the provisions of the relevant Sub-Fund Particulars, the AIFM may set up an investment committee including individuals who are not employees of the Triodos Group and in such case, costs and expenses related to such individuals shall be included under “Other Expenses”.

## Formation and launching expenses of the Company and of additional Sub-Funds

If and when Sub-Funds are created, costs related to their creation will be allocated to the said Sub-Fund and, where applicable, amortised in proportion to their Net Assets over a maximum period of five years. The newly created Sub-Funds shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Company and the initial issue of Shares, which have not already been amortised at the time of the creation of the new Sub-Funds. The maximum formation expenses will be

described in the Sub-Fund Particulars. The Board of Directors will approve the total formation expenses.

## Management fees

For the services it provides, the AIFM will be entitled to a fee payable and calculated as described in the relevant Sub-Fund Particulars. The rates of such fees are indicated in the relevant Sub-Fund Particulars.

## Fees of the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

The Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent are entitled to receive fees in accordance with usual practice in Luxembourg.

## Duplication of fees

The investment policy of certain Sub-Funds may consist of investing in other UCIs.

Duplication of management fees, subscription and/or redemption fees and other operating fund related expenses may occur each time a Sub-Fund invests in other UCIs. However, in case of investment by the relevant Sub-Fund in Triodos funds, no subscription, redemption or conversion fees will be charged on any such investment.

Each Sub-Fund will set its own policy regarding the need for and benefit of investing in other UCIs.

# Distribution policy.

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In each Class of Shares within each Sub-Fund, the Board of Directors may issue Capitalisation Shares and Distribution Shares, as more fully described in the relevant Sub-Fund Particulars.

Distribution Shares may pay a dividend to their holders whereas Capitalisation Shares capitalise their entire earnings.

No distribution may be made if, as a result, the Net Asset Value of the Company would fall below EUR 1,250,000.

Interim dividends for each Sub-Fund may be distributed as the Board of Directors may determine in compliance with applicable law.

Dividend payment notices shall be published, in the case where bearer Shares are issued, in a Luxembourg newspaper and, in any other newspaper which the Board of Directors deems appropriate.

Registered Shareholders will be paid by means of a cheque sent to their address as indicated in the register of Shareholders or by a bank transfer in accordance with their instructions. Holders of bearer Shares, if any, will be paid upon payment date via the Paying Agent appointed for that purpose by the Board of Directors.

Dividends which have not been claimed within five years of their date of availability for payment will revert to the relevant Sub-Fund.

The dividend policy of each Class of Shares within each Sub-Fund is further set out in the relevant Sub-Fund Particulars.

# Taxation.

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The following information is of a general nature only and is based on the Company's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Prospectus. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. This summary is based on the laws in force in Luxembourg law on the date of this Prospectus and is subject to any change in law that may take effect after such date. This summary does not include any description of any foreign, i.e. non-Luxembourg tax, which may be applicable from time to time. Prospective Shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Corporate Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and to the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

## Taxation of the Company

### Subscription tax

The Company is as a rule liable in Luxembourg to an annual subscription tax (*taxe d'abonnement*) at a rate of 0.05% per annum. The taxable basis of the subscription tax is the aggregate Net Assets of the Company as valued on the last day of each quarter of the civil year. A reduced

rate of 0.01% or an exemption may apply in certain cases (please refer to the relevant Sub-Fund Particulars).

### Withholding tax

#### Non-residents

Under current Luxembourg tax law and subject to the application of the Luxembourg laws dated 21 June 2005 (the "Laws") implementing Council Directive 2003/48/EC on taxation of savings income in the form of interest payments ("EU Savings Directive") and several agreements concluded between Luxembourg and certain associated territories of the European Union (Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat as well as the former Netherlands Antilles, i.e. Bonaire, Curaçao, Sint Eustatius and Sint Maarten – collectively the "Associated Territories"), there is no withholding tax on any distribution or payments made by the Company or its Luxembourg paying agent (if any) to non-residents.

Under the Laws, a Luxembourg paying agent (within the meaning of the EU Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity within the meaning of article 4.2. of the EU Savings Directive (i.e. an entity (i) without legal personality, except for a Finnish *avoin yhtiö* and *kommandiittiyhtiö* / *öppet bolag* and *kommanditbolag* and a Swedish *handelsbolag* and *kommanditbolag*, and (ii) whose profits are not taxed under the general arrangements for the business taxation and (iii) that is not, or has not opted to be considered as, a UCITS recognised in accordance with EC Directive 85/611/EEC – a "Residual Entity") resident or established in another EU Member State as Luxembourg, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals or Residual Entities resident or established in any of the Associated Territories. The withholding tax rate is currently 35% since 1 July 2011.

Distributions under the Shares are currently not considered as interest for the purpose of the EU Savings Directive. However, under the current revision drafts of the EU Savings Directive, interest payments may also include (i) distributions of profits by the Company derived from interest payments (unless the Company's investment in debt claims does not exceed 15%) and (ii) income realised upon the sale, refund or redemption of the Shares if the Company invests directly or indirectly more than 25% (as from 1 January 2011) of its Net Assets in debt claims and to the extent such income corresponds to gains directly or indirectly derived from interest payments. The current revision draft also extends the provisions of the EU Savings Directive to interest payments made under certain innovative financial products. Shareholders should inform themselves of, and where appropriate take

advice on, the impact of the EU Savings Directive, once amended, on their investment. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

### **Residents**

Under current Luxembourg tax law there is no withholding tax on any distributions made by the Company to a resident Shareholder.

### **Income tax**

Under current law and practice, the Company is not liable to any Luxembourg income tax.

### **Value added tax**

The Company is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its investors, to the extent that such payments are linked to their subscription to the Company's Shares and do not constitute the consideration received for taxable services supplied.

### **Other taxes**

No stamp or other tax is generally payable in Luxembourg in connection with the issue of Shares against cash by the Company, except a fixed registration duty of € 75 if such issue implies an amendment to the Articles.

The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. As the Company is structured as an investment company, certain double tax treaties signed by Luxembourg may directly be applicable to the Company.

## **Taxation of the Shareholders**

It is expected that Shareholders will be resident for tax purposes in many different countries. Consequently, except as set-out below, no attempt is made in this

Prospectus to summarize the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, transferring or selling the Shares under the laws of their countries of citizenship, residence or domicile.

### **Luxembourg tax residency of the Shareholders**

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of the holding and/or disposing of the Shares or the execution, performance, delivery and/or enforcement thereof.

### **Income tax**

#### **Luxembourg resident individuals**

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his / her professional / business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his spouse or partner and / or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same 5-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may

include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### **Luxembourg resident companies**

A Luxembourg resident company (société de capitaux) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

#### **Luxembourg residents benefiting from a special tax regime**

Shareholders who are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment governed by the Law of 2010, (ii) specialized investment funds governed by the amended law of 13 February 2007 and (iii) family wealth management companies governed by the law of 11 May 2007, are income tax exempt entities in Luxembourg, and profits derived from the Shares are thus not subject to any Luxembourg income tax.

#### **Luxembourg non-residents**

A non-resident, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident company which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to an individual, acting in the course of the management of a professional or business undertaking, which has a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### **Net worth tax**

A Luxembourg resident, as well as a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are

attributable, are subject to Luxembourg net worth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) a undertaking for collective investment governed by the Law of 2010, (iii) a securitization company governed by the law of 22 March 2004 on securitization, (iv) a company governed by the law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended law of 13 February 2007 or (vii) a family wealth management company governed by the law of 11 May 2007.

#### **Other taxes**

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

# General information.

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## The Board of Directors

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers expressly assigned by law or the Articles to the general meeting of Shareholders.

The Board of Directors of the Company is responsible for determining the investment policy of the Sub-Funds and for the overall management and administration of the Company.

## The AIFM

Pursuant to the AIFM Agreement, the Board of Directors has appointed Triodos IM as external AIFM within the meaning of article 4 of the Law of 2013. Triodos IM is a company incorporated under the laws of the Netherlands on August 9, 2000 and having its registered office at Utrechtseweg 60, 3704 HE Zeist, The Netherlands which may, subject to the approval of the Board of Directors and subject to compliance with the AIFMD and the AIFMR, delegate some of its powers, in which case the Prospectus will be updated or supplemented accordingly.

Since the early 1990s the Triodos Group has become an active fund manager for Triodos funds and for third parties, such as charities, donor organizations, pension funds. Triodos IM is one of the entities of the Triodos Group that manages and advises Triodos Group and third party funds. Triodos IM is a 100% shareholding of Triodos Bank N.V. Triodos IM's expertise in credit and equity appraisal and finance monitoring has proven to be successful in investments in microfinance, renewable energy, sustainable food and agriculture and venture capital.

The AIFM is responsible for the portfolio management of the Company and exercising the risk management function in respect of each Sub-Fund. In addition, the AIFM's duties include valuation of the assets, and distribution. The AIFM is also responsible for ensuring compliance with the AIFMD. As described elsewhere in this Prospectus, the AIFM has delegated certain functions with respect to these duties to third parties. Notwithstanding any delegation, the AIFM shall remain liable to the Company for the proper performance of the portfolio management, risk management, valuation and distribution.

The AIFM will receive a fee for its services payable out of the assets of each Sub-Fund, as specified in the Sub-Fund Particulars for such Sub-Fund. Prospective investors should be aware that, where permitted by applicable law and regulation, the AIFM and its affiliates may elect to share part or all of the fee received by them

with investors or distributors of the Company. The AIFM may also receive performance fees in respect of certain Sub-Funds as described in the relevant Sub-Fund Particulars.

The AIFM covers potential professional liability risks resulting from those activities the AIFM carries out pursuant to the AIFMD through 'own funds'.

The AIFM has remuneration policies, procedures and practices which are consistent with and promote sound and effective risk management. They apply to staff whose professional activities have a material impact on the risk profile of the AIFM or the Company and are designed to discourage risk-taking which is inconsistent with the risk profile of the Company.

The AIFM Agreement provides that the AIFM shall not be liable for any loss or damage the Company or the Shareholders may suffer as a result of the duties of the AIFM, provided that the AIFM has not acted in wilful misconduct or negligence.

The AIFM is authorised to delegate some of its functions. In such case, it remains liable for the proper performance of its delegate.

The AIFM (including its directors, employees, servants or agents) shall be indemnified by the Company against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature which may be imposed on, incurred by or asserted against the AIFM in performing its obligations and duties, provided that those are not resulting from wilful misconduct or negligence on its part.

The AIFM Agreement provides that it is to remain in force for an unlimited period. It may be terminated by either party on giving not less than a 3 months' prior notice, provided however that if a party acts grossly negligent in relation to the performance of its duties, the other party is entitled to terminate the Management and Supporting Services Agreement with immediate effect if the other party has not remedied this act of negligence within 30 days of written notice, having been given by either party to the party acting grossly negligent.

In the event that a majority participation in the Company is held by an entity not part of Triodos Group or the AIFM ceases to be a member of Triodos Group, the Company agrees that it will, on request of Triodos Bank N.V., change its name to another name omitting the word "Triodos" and not including any brand name of any company within Triodos Group.

The AIFM Agreement is governed by the laws of Luxembourg and Luxembourg courts shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the AIFM Agreement.



The AIFM may also act as the alternative investment fund manager for other funds that have investment programs that are similar to the Company.

### Fair Treatment of Shareholders

The AIFM seeks to ensure fair treatment of all Shareholders by complying with the terms of the Articles, the Prospectus and applicable laws. In addition, the AIFM operates in accordance with the principle of treating customers (including, as appropriate, funds such as the Company and their investors) fairly.

The AIFM provides Institutional Investors with additional information from time to time; however, to the extent such information is required for the Institutional Investor's reporting duties, it shall not be considered as a preferential treatment of any kind.

The Company may create further Classes of Shares from time to time. These Classes of Shares may be subject to different terms and conditions, including potentially different fee, dealing, transfer, information disclosure or liquidity arrangements, subject to the requirements of the CSSF. Such different terms and conditions may be preferential to the Shareholders of the relevant Classes of Shares. Such Classes of Shares may be made available to any type of Shareholder, whether or not such Shareholder has legal or economic links to the AIFM or the Company. Where such Classes of Shares afford preferential treatment, the Prospectus will be updated to detail the specific type of preferential treatment, the type of Shareholder to whom the Classes of Shares are available and the legal or economic links (if any) of that type of Shareholder to the AIFM or the Company (so as to ensure the fair treatment of all Shareholders).

The Company or AIFM may also enter into side letters with investors which clarify the scope and extent of existing rights and / or obligations; such side letters will not establish or vary rights and / or obligations as between the Company and Shareholders. Such side letters will be granted pursuant to a policy agreed with the Board of Directors which seeks to ensure, in general terms, that (a) similarly situated investors should be treated similarly and fairly; and (b) the best interests of the Company and its investors must be considered in the granting of any side letter.

### Voting Rights Policy – Best Execution Policy

The AIFM has adopted a best execution policy in order to obtain the best result possible when passing orders. Shareholders can obtain from the AIFM the relevant information on that best execution policy. Please note however that given the nature of the assets the best execution policy might not be relevant.

The AIFM has further adopted a voting rights strategy in respect of the Sub-Fund's assets. A summary description of the policy, as well as the details of the actions taken under such policy, is available upon request to the AIFM.

### Inducements

The AIFM shall not pay or be paid any fee or commission, or provide or be provided with any non-monetary benefit, other than the following:

- a. a fee, commission or non-monetary benefit paid or provided to or by the Company or a person on behalf of the Company;
- b. a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the AIFM can demonstrate that the following conditions are satisfied:
  - i. the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to Shareholders in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
  - ii. the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the AIFM's duty to act in the best interests of the Company and the Shareholders;
- c. proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, do not give rise to conflicts with the AIFM's duties to act honestly, fairly and in accordance with the best interests of the Company or its Shareholder.

Shareholders may receive, upon request to the AIFM and in accordance with item (i) of paragraph (b) above, further details regarding the existence, nature and amount or method of calculation of fees, commissions or benefits paid or provided to or by another party than the AIFM or a person acting on behalf of such third party for services provided in relation to the Company.

### The Depositary and Paying Agent

The Company has appointed RBC Investor Services Bank S.A., having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as the Depositary of the Company with responsibility for the



- a. safekeeping of the assets,
- b. oversight duties,
- c. cash flow monitoring and
- d. paying agent functions

pursuant to the Law of 2010, the Law of 2013, and the depositary bank and paying agent agreement signed on 22 July 2014, with effective date of 22 July 2014 and entered into between the Company and RBC Investor Services Bank S.A. (the “Depositary Bank and Paying Agent Agreement”).

RBC Investor Services Bank S.A. is registered with the Luxembourg Register for Trade and Companies (RCS) under number B-47192 and was incorporated in 1994 under the name “First European Transfer Agent”. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2013 amounted to approximately EUR 842.822.598.-.

#### **(a) Safekeeping of the assets**

The Depositary is responsible in accordance with the Luxembourg laws and regulations, the Law of 2013 and the Depositary Bank and Paying Agent Agreement for the safekeeping of the financial instruments that can be held in custody and for the record keeping and verification of ownership of the other assets. In normal circumstances, the majority of the assets of the Company qualify as “other assets” within the meaning of article 21(8)b of the AIFMD.

#### **Delegation**

The Depositary is further authorized to delegate its safekeeping duties under the Law of 2013 to sub-custodians and to open accounts with such sub-custodians, provided that (i) such delegation is in accordance with, and subject to compliance with, the conditions set out in the applicable Luxembourg laws; and (ii) the Depositary will exercise all due skill, care and diligence in the selection, appointment, periodic review and ongoing monitoring of its Sub-custodians.

#### **Discharge of liability**

The Depositary may in certain circumstances and in accordance with Article 19(13) of the Law of 2013, discharge itself of liability. In the event where certain financial instruments are required by a foreign local law or regulation to be held in custody by a local entity, and no local entity satisfies the delegation requirements in accordance with Article 19 (11) d) (ii) of the Law of 2013, the Depositary may nonetheless discharge itself of liability provided that specific conditions in accordance with Article 19 (14) of the Law of 2013 and the Depositary Bank and Paying Agent Agreement are met.

#### **(b) Oversight**

The Depositary will, in accordance with the Law of 2010, the Law of 2013, the AIFM Regulation and the Depositary Bank and Paying Agent Agreement:

- a. ensure that the sale, issue, re-purchase, redemption and cancellation of Shares of the Company are carried out in accordance with applicable national laws and the Articles;
- b. ensure that the value of the Shares of the Company is calculated in accordance with applicable national laws, the Articles and the procedures laid down in Article 19 of the AIFMD;
- c. carry out the instructions of the AIFM, unless they conflict with applicable national law and the Articles;
- d. ensure that, in transactions involving the assets of the Company, any consideration is remitted to the Company within the usual time limits; and
- e. ensure that the income of the Company is applied in accordance with applicable national law and the Articles.

#### **(c) Cash flow monitoring**

The Depositary is required under the AIFM Law, the AIFM Regulation and with the Depositary Bank and Paying Agent Agreement to perform certain cash flow monitoring duties as follows:

- i. reconcile all cash flow movements and perform such a reconciliation on a daily basis;
- ii. identify cash flows, which are in its reasonable opinion, significant, and in particular those which could be inconsistent with the Company’s operations. The Depositary will perform its review using the previous Business Day end-of-day records;
- iii. ensure that all bank accounts in the Company structure are in name of the Company or in the name of the AIFM on behalf of the Company;
- iv. ensure that the relevant banks are EU credit institutions or equivalent;
- v. ensure that the monies paid by the Shareholders have been received and booked in cash accounts and booked in either Cash Accounts or Third Party Accounts (as such terms are defined in the Depositary Bank and Paying Agent Agreement).

#### **(d) Paying Agent**

RBC Investor Services Bank S.A. also acts as Paying Agent for the Company pursuant to the Depositary Bank and Paying Agent Agreement. The Paying Agent is responsible for receiving payments for subscriptions of Shares and depositing such payments in the Company’s bank accounts opened with the Depositary and distributing income and dividends to the Shareholders. The Paying Agent shall make payment of proceeds from the repurchase of Shares from time to time.

## General

The Depositary Bank and Paying Agent Agreement may be terminated at any time by either the Company or the Depositary upon ninety (90) days' prior written notice addressed to the other party. Notwithstanding the foregoing, the Depositary Bank and Paying Agent Agreement may also be terminated in accordance with the provisions of the Depositary Bank and Paying Agent Agreement.

## Administrative Agent

Pursuant to an agreement signed on 22 July 2014, with effective date of 22 July 2014, RBC Investor Services Bank S.A. has been appointed by the Company as Administrative Agent of the Company. This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of ninety days' notice. It may further be terminated forthwith by the Company when it is in the interests of the Shareholders.

As the Administrative Agent, RBC Investor Services Bank S.A. is responsible for the calculation of the Net Asset Value per Share, the maintenance of records and other general administrative functions.

RBC Investor Services Bank S.A. is also acting as the Domiciliary and Corporate Agent of the Company.

## Registrar and Transfer Agent

Pursuant to an agreement signed on 22 July 2014, with effective date of 22 July 2014, RBC Investor Services Bank S.A. has also been appointed by the Company as registrar and transfer agent of the Company (the "Registrar and Transfer Agent"). This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of ninety days' notice. It may further be terminated forthwith by the Company when it is in the interests of the Shareholders.

As Registrar and Transfer Agent, RBC Investor Services Bank S.A. is responsible for the maintenance of the register of Shareholders of the Company and the processing of the issue (registration) and redemption of the Shares and settlement arrangements thereof.

## The Distributors

The Company has appointed the AIFM as the Distributor for the Company.

The AIFM may conclude contractual arrangements with Sub-Distributors, placement agents or other processing agents as its agents.

The Distributor, any Sub-Distributor(s) or agent(s) appointed to market and place the Shares of the Company have the power to offer directly, or through any of their subsidiaries or group companies, nominee services for applicants purchasing Shares through them to the extent the Distributor, Sub-Distributor(s) or agent(s) are located in a FATF (Financial Action Task Force) Country and subject to anti-money laundering regulations.

Applicants may elect, but are not obliged (except in certain circumstances), to make use of such nominee service pursuant to which the nominee will hold Shares in its name for and on behalf of the applicants who shall be entitled at any time to claim direct title to the Shares (save when the use of the service of a nominee is mandatory) and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect. Applicants retain the ability to directly invest in the Company without using a nominee service, unless the use of such service is mandatory.

## The Auditors

KPMG has been appointed as the Auditor of the Company. The Auditors' responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

## Governing Law and Recognition and Enforcement of Judgments in Luxembourg

The 1980 Rome Convention on the Law Applicable to Contractual Obligations (other than Article 7(1)), Regulation (EC) 593/2008 (Rome I) (the "Rome I Regulation") and Regulation (EC) 864/2007 (Rome II) (the "Rome II Regulation"), all have force of law in Luxembourg (together the "Rome Regulations"). Accordingly, the choice of a governing law in any given agreement is subject to the provisions of the Rome Regulations. Under the Rome I Regulation, the courts of Luxembourg may apply any rule of Luxembourg law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if:

- a. the foreign law were not pleaded and proved; or
- b. if pleaded and proved, such foreign law would be contrary to (i) the public policy of the forum, (ii) the overriding mandatory provisions of the law of the forum, (iii) the provisions of the law of a country which cannot be derogated from by agreement, where matters are connected with such country only, (iv) the provisions of Community law which cannot be derogated from by agreement, where matters are

connected with the EU only and (v) the overriding mandatory provisions of the law of the country where the obligations arising out of the contract have to be or have been performed, in so far as those overriding mandatory provisions render the performance of the contract unlawful.

The fact that contractual parties choose a foreign law, whether or not accompanied by the choice of a foreign tribunal, shall not, where all the other elements relevant to the situation at the time of the choice are connected with one country only, prejudice the application of rules of the law of that country, which cannot be derogated from by agreement.

The effectiveness of provisions relating to the choice of law to govern non-contractual obligations is subject, where applicable, to the Rome II Regulation. The effectiveness of such provisions in situations where the Rome II Regulation does not apply is uncertain.

Regulation (EU) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters has force of law in Luxembourg. In accordance with its provisions, a judgment obtained in the courts of another EU jurisdiction will in general be recognized and enforced in Luxembourg without review as to its substance, save in certain exceptional circumstances.

## Investors' rights against service providers

The Company is reliant on the performance of third party service providers, including the AIFM, the Depositary and Paying Agent, the Administrative Agent, the Distributor, the Registrar and Transfer Agent and the Auditors (the "Service Providers"). Further information in relation to the roles of the Service Providers is set out above.

No Shareholder will have any direct contractual claim against any Service Provider with respect to such Service Provider's default. Any Shareholder, who believes they may have a claim against any Service Provider in connection with their investment in the Fund, should consult their legal adviser.

## Dissolution and liquidation of the Company

The Company may at any time be dissolved by a resolution of the general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

Whenever the share capital falls below two-thirds of the minimum capital of EUR 1,250,000, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Board of Directors. The

general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of Shareholders whenever the share capital falls below one-fourth of EUR 1,250,000; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days from ascertainment that the share capital has fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities and do not need to be Shareholders; the general meeting of Shareholders shall appoint them and determine their powers and their compensation.

The net proceeds of liquidation corresponding to each Class of Shares in each Sub-Fund shall be distributed by the liquidators to the holders of Shares of the relevant Class of Shares in the relevant Sub-Fund in proportion to their holding of such Shares in such Class of Shares.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010, which specify the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provide for a deposit in escrow at the "Caisse de Consignations" at the time of the close of liquidation. Amounts not claimed from escrow within the prescription period shall be forfeited in accordance with the provisions of Luxembourg law.

## Dissolution and merger of the Sub-Funds or Classes of Shares

In the event that for any reason the value of the Net Assets in any Sub-Fund or Class of Shares has decreased to or has not reached an amount which, in the opinion of the Board of Directors, is the minimum level for such Sub-Fund or Class of Shares to be operated in an economically efficient manner, or if a change in the economic, monetary or political situation relating to the Sub-Fund or Class of Shares concerned would have material adverse consequences on the investments of that Sub-Fund or Class of Shares or in order to proceed to an economic rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund or Class of Shares or – if permitted by the Articles – to reallocate such Class of Shares into another

existing Class of Shares at their Net Asset Value(s) (taking into account actual realisation prices of investments and realization expenses), calculated on the Valuation Date at which such decision shall take effect. Registered holders shall be notified in writing. The Company shall inform holders of bearer Shares by publication of a notice in newspapers to be determined by the Board of Directors, unless these Shareholders and their addresses are known to the Company. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-Fund or Class of Shares concerned may continue to request redemption (if appropriate) of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Sub-Fund or Class of Shares may, upon proposal from the Board of Directors, redeem all the Shares of such Sub-Fund or Class of Shares and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Date at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting at such meeting.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of six months thereafter; after such period, the assets will be deposited with the “Caisse de Consignations” on behalf of the persons entitled thereto.

Under the same circumstances as provided in the first paragraph of this section, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company or to another UCI or to another sub-fund within such other UCI (the “new Sub-Fund”) and to redesignate the Shares of the Sub-Fund concerned as Shares of the new Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner as described in the first paragraph of this section (and, in addition, the publication will contain information in relation to the new Sub-Fund), one month before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, during such period.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund of the Company may be decided upon by a general meeting of the Shareholders of the Sub-Fund concerned which will decide upon such an merger by resolution taken with no quorum and by simple majority of those present or represented and voting at such meeting.

A contribution of the assets and of the liabilities attributable to any Sub-Fund to another UCI referred to in the fourth paragraph of this section or to another sub-fund within such other UCI shall require a resolution of the Shareholders of the Sub-Fund concerned taken with no quorum and by simple majority of those present or represented and voting at such meeting, except when such a merger is to be implemented with a Luxembourg UCI of the contractual type (“fonds commun de placement”) or a foreign based UCI, in which case resolutions shall be binding only on such Shareholders who have voted in favour of such merger.

## General Meetings

The annual general meeting of Shareholders of the Company is held at the Registered Office on the last Wednesday of the month of April each year at 2.00 p.m. (Luxembourg time) or, if such day is not a Business Day, on the next following Business Day.

Notices of all general meetings are sent by registered letter to all registered Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) at least eight days prior to the meeting. Such notice will indicate the time and place of the meeting, the conditions of admission thereto and the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at the meeting. Notices of all general meetings to be addressed to bearer Shareholders will be published in the Mémorial, in one Luxembourg newspaper and, in any other newspapers which the Board of Directors deems appropriate.

The Shareholders of any Class of Shares or Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund or to such Class of Shares.

## Annual and semi-annual reports

The Company publishes annually an audited report on its activities and on the management of its assets; including a balance sheet and profit and loss account, the detailed

make up of its assets, the auditor's report, a report of the activities of the exercise, notification of all substantial changes which occurred during the period to which the exercise refers, the percentage of the assets of the Company which are the object of special treatment because of their non-liquid nature (if such assets are held by the Company) as well as an overview of existing special treatments, the current risk profile of the Company and the management risk systems used and information regarding the level of remuneration paid during the exercise.

The Company shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be available at the Registered Office within four months (following the end of the relevant financial year) for the annual reports and within two months (following the end of the relevant accounting period) for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person.

## Financial year

The financial year of the Company shall commence on the 1st January of each year and shall terminate on the 31st December of the same year.

## Data protection

The Company collects, stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

The data processed includes the name, address and invested amount of each Shareholder (the "Personal Data").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Company. In this case, however, the Company may reject his/her/its request for subscription of Shares in the Company.

In particular, the data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions and redemptions of Shares and payments of dividends to Shareholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering rules.

The Company can delegate to another entity the processing of the Personal Data in compliance and within the limits of the applicable laws and regulations.

Each Shareholder has a right to access his/her/its Personal Data and may ask for a rectification thereof in cases where such data is inaccurate and incomplete. In relation thereto, the Shareholder can contact the Company.

The Shareholder has a right of opposition regarding the use of its Personal Data for marketing purposes. This opposition can be made by letter addressed to the Company.

Personal Data shall not be retained for longer than the time required for the purpose of its processing subject, to the legal limitation periods.

## Documents available for inspection

Copies of the following documents may be inspected free of charge during usual business hours on any Business Day at the Registered Office:

- i. the Prospectus;
- ii. the Articles;
- iii. the Depositary and Principal Paying Agent Agreement;
- iv. the Administration Agency Agreement;
- v. the Domiciliary and Corporate Agency Agreement
- vi. the AIFM Agreement;
- vii. the Distribution Agreement and the list of (Sub-) Distributors appointed;
- viii. the financial reports of the Company.

## Historic performance

The historic performance of each Sub-Fund of the Company will be published each year in the annual report of the Company.



# Appendix A - special investment and hedging techniques and instruments.

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## 1. Techniques and instruments related to Transferable Securities

For the purpose of hedging, efficient portfolio management, duration management or other risk management of the portfolio, the Company may, in each Sub-Fund, use the following techniques and instruments relating to Transferable Securities, unless otherwise specified in the relevant Sub-Fund Particulars:

### (A) Transactions relating to options on Transferable Securities

An option is the right to buy or sell a particular asset at a stated price at some date in the future within a particular period. The Company may buy and sell call or put options on Transferable Securities provided that these options are traded on options exchanges or over-the-counter with broker-dealers who make markets in these options and who are first class financial institutions that specialize in these types of transactions and are participants in the consistent over-the-counter markets.

The Company shall further comply with the following rules:

- i. The total amount of premiums paid for the purchase of call and put options which are considered here, together with the total amount of premiums paid for the purchase of call and put options described under (B) b) below, may not, in respect of each Sub-Fund, exceed 15% of the Net Asset Value of such Sub-Fund.
- ii. The total commitment arising from (a) the sale of call and put options (excluding the sale of call options for which there is adequate cover) and (b) transactions for purposes other than hedging as referred to under (B) below, may not exceed, in respect of each Sub-Fund, at any time the Net Asset Value of such Sub-Fund. In this context, the commitment on call and put options sold is equal to the aggregate amount of the exercise prices of those options.
- iii. When selling call options, the Company must hold either the underlying Transferable Securities, or matching call options or any other instruments (such as warrants) providing sufficient cover. The cover for call options sold may not be disposed of as long as the options exist unless they are covered in turn by matching options or other instruments used for the same purpose.

Notwithstanding the foregoing, the Company may sell uncovered call options if the Company is, at all times, able to cover the positions taken on such sale and if the exercise prices of such options do not exceed 25% of the Net Asset Value of the relevant Sub-Fund.

- iv. When selling put options, the Company must be covered during the full duration of the options by sufficient cash to pay for the Transferable Securities deliverable to the Company by the counterparty on the exercise of the options.

### (B) Transactions relating to futures and option contracts relating to financial instruments

Dealing in financial futures is the trading in contracts related to the future value of Transferable Securities or other financial instruments. Except as regards interest rate swaps on a mutual agreement basis and options which may be traded as provided for under (A) here above, all transactions in financial futures may be made on a Regulated Market only. Subject to the following conditions, such transactions may be made for hedging purposes and for other purposes.

#### a) Hedging

Hedging is designated to protect a known future commitment.

- i. As a global hedge against the risk of unfavourable stock market movements, the Company may sell futures on stock market indices or other financial instruments on indices. For the same purpose, the Company may sell call options or buy put options on stock market indices. The objective of these hedging operations assumes that a sufficient correlation exists between the composition of the index used and the Company's corresponding portfolios.
- ii. As a global hedge against interest rate fluctuations, the Company may sell interest rate futures contracts. For the same purpose, it can also sell call options or buy put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specializing in this type of transaction.

The total commitment relating to futures and option contracts on stock market indices may not exceed the total valuation of securities held by the relevant Sub-Fund in the market corresponding to each index. In the same way, the total commitment on interest rate futures contracts, option contracts on interest rates and interest rate swaps may not exceed the total valuation of the assets and liabilities to be hedged held by the relevant Sub-Fund in the currency corresponding to these contracts.

#### b) Trading

Trading is based on the forecasting of future movements in financial markets. In this context and apart from option contracts on Transferable Securities (See (A) above) and contracts relating to currencies (See 2. below), the Company may, for a purpose other than hedging, buy

and sell futures contracts and options contracts on any type of financial instrument provided that the total commitment arising on these purchase and sale transactions together with the total commitment arising on the sale of call and put options on Transferable Securities, in respect of each Sub-Fund, at no time exceeds the Net Asset Value of such Sub-Fund.

Sales of call options on Transferable Securities for which the Company has sufficient cover are not included in the calculation of the total commitment referred to above.

In this context, the commitment arising on transactions which do not relate to options on Transferable Securities is defined as follows:

- the commitment arising on futures contracts is equal to the liquidation value of the net position of contracts relating to identical financial instruments (after netting between purchase and sale positions), without taking into account the respective maturities and
- the commitment relating to options bought and sold is equal to the sum of the exercise prices of those options representing the net sold position in respect of the same underlying asset, without taking into account the respective maturities.

The total of the premiums paid to acquire call and put options as described above, together with the total of the premiums paid to acquire call and put options on Transferable Securities as described under (A) above may not, in respect of each Sub-Fund, exceed 15% of the Net Asset Value of such Sub-Fund.

### (C) Securities lending

The Company may enter into securities lending transactions provided that they comply with the following rules:

- i. The Company may only lend securities through a standardised system organised by a recognised clearing institution or through a first class financial institution specializing in this type of transaction.
- ii. As part of lending transactions, the Company must in principle receive a guarantee, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent.

This guarantee must be given in the form of liquid assets and/or in the form of securities issued or guaranteed by a member state of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or world-wide nature and blocked in favour of the Company until the expiry of the loan contract.

Such a guarantee shall not be required if the securities lending is made through Clearstream Banking or EUROCLEAR or through any other organisation assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.

- iii. Securities lending transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. This limitation does not apply where the Company is entitled at all times to the cancellation of the contract and the restitution of the securities lent.
- iv. Securities lending transactions may not extend beyond a period of 30 days. This limitation does not apply where the Company is entitled at all times to the cancellation of the contract and the restitution of the securities lent.

### (D) Repurchase agreement transactions

The Company may on an ancillary basis enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Company can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

- i. The Company may not buy or sell securities using a repurchase agreement transaction unless the counterpart in such transactions is a first class financial institution specializing in this type of transaction.
- ii. During the life of a repurchase agreement contract, the Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.
- iii. Where the Company is exposed to redemption of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

Repurchase agreement transactions are expected to take place on an occasional basis only.

## 2. Currency hedging

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Company may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the-counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant Sub-Fund - known as "Cross Hedging") may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

The Sub-Fund Triodos Microfinance Fund has entered into a Currency Hedging Services Agreement (CHS) with RBC Investor and Treasury Services. The intent of the CHS is to substantially reduce the foreign currency exposure from the share class base currency to base currency of the Sub-Fund.

The type of collateral used is the assets of the Sub-Fund Triodos Microfinance Fund, including cash and securities, in custody of the Depositary. No use of the collateral is allowed for reinvestments. For avoidance of doubt, the party receiving such collateral will not have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in the business any such collateral.



# Sub-Fund Particulars: TRIODOS SICAV II – Triodos Renewables Europe Fund.

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The information contained in these Sub-Fund Particulars must be read in conjunction with the complete text of the Prospectus of the TRIODOS SICAV II.

The TRIODOS SICAV II – Triodos Renewables Europe Fund (the “Sub-Fund”) was created for an unlimited period of time.

Investors must be aware of the fact that investing in the Sub-Fund involves a high degree of risk due to the illiquid nature of the assets. Accordingly, the Sub-Fund is only suitable for investors who can afford to take such risks and to set aside the capital for a long-term investment.

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## Definitions

<b>Bond</b>	debt investment in which an investor lends money to typically a company or a government mostly for a defined period of time at a variable or fixed interest rate
<b>Equity</b>	ownership interest in a company
<b>Financial close</b>	this is the point in time when all necessary documentation is in place, has been executed and conditions precedent have been satisfied or waived. The investment or the financing facility can be executed or drawn down
<b>Mezzanine financing</b>	this is a type of funding that has characteristics of both debt and equity. As such, it is considered part of a company's risk-bearing capital. Examples include preferred shares and subordinated (convertible) debt. The terms mezzanine financing and quasi-equity are often interchangeable
<b>Money Market Instrument</b>	instrument normally dealt on the money market which is liquid, and has a value which can be accurately determined at any time
<b>MW</b>	megawatt (1,000,000 watts), the unit for measuring the energy output of a project
<b>Power Purchase Agreement or PPA</b>	the agreement between a supplier of electricity and a generator of electricity regarding the price that will be paid for the energy purchased
<b>Quasi-equity</b>	this is a type of funding that has characteristics of both debt and equity. As such, it is considered part of a company's risk-bearing capital. Examples include preferred shares and subordinated (convertible) debt. The terms quasi-equity and mezzanine financing are often interchangeable
<b>(Equity) risk premium</b>	the extra return (over the risk-free rate) that a particular equity investment must provide to compensate for (equity market) risk
<b>Senior debt</b>	debt that has priority for repayment in the event of a default
<b>Subordinated debt</b>	this is a type of funding that in the event of a default is repaid only after senior debt has been repaid. Subordinated debt is an example of mezzanine financing or quasi-equity

## 1. Background

In an era of economic recovery climate change and the energy crisis must remain a key part of the public debate. Fighting climate change, energy security, and access to energy in the developing world, will remain – next to the global food and water crises – key challenges for the next decades.

Given existing and emerging technologies, and the availability of capital despite the financial downturn, transitioning towards a low carbon economy is possible. But it requires a concerted effort from many organisations, businesses, producers and consumers. The financial sector is one and should play a central role. Investment decisions must not be guided anymore by short-term financial interests. Instead, they should combine long-term financial, environmental and social considerations. And they should be rooted in an authentic vision which is aligned with, but not dependent on, government policies. However, the government has the ability to steer the financial sector towards a proactive and catalytic role in the transitioning to a sustainable energy economy.

The transition to a low carbon economic future requires an investment strategy based on three major drivers: reduced demand for energy, massive installation of renewable energy systems and switching to low carbon fuels. Triodos Group lends to and invests in renewable energy generation and energy saving. It does so on a local scale where possible, and on a large scale where projects are 'in balance' (energy subsidiary). As the market for clean energy matures, Triodos Group aims to find new areas where leadership is required and participate in more maturing sectors and geographical areas.

### What for?

The Sub-Fund aims to further develop the renewable energy sector by investing in clean power producing assets to further increase the share of clean energy of the total energy demand and to reduce the CO<sub>2</sub> emissions. The sector is expected to further develop and the investment volumes will continue to grow. To meet the financial requirements for the expected growth, adequate and continuous funding is required. The Sub-Fund can provide Equity and/or Quasi-equity financing to renewable power generating project companies, energy efficiency or savings initiatives and integrated clean energy project companies to complete the total financing of these projects. By providing Equity and Quasi-equity, the Sub-Fund can provide complementary capital to meet the equity/debt requirements of banks that provide the Senior debt to such projects. In exchange, the Sub-Fund will receive a higher risk premium than the Senior debt

providers. Revenues and the return for the Sub-Fund will be generated from the expected cash-flows of the projects.

### Track record

Triodos Group has a long standing experience with financing of and investing in renewable energy projects. Triodos Group financed the first small stand-alone wind turbines in the Netherlands, back in the early 1980s. At present, Triodos Group manages several funds focused on investments in renewable energy. Additionally, Triodos branches are also active in renewable energy financing.

### Outlook on the sector

European governments have set ambitious targets for renewable energy production for 2020 and beyond, which requires significant investments in the coming years. However, due to the euro debt crisis, a number of European governments have been compelled to take drastic measures to reduce fiscal deficits, including measures in the field of energy production. The latter – whether affecting the energy market in general or renewable energy in specific – may have a negative impact on investments in renewable energy production. In spite of this, the market is still expected to have significant potential given Europe's long-term goals to increase the share of renewable energy production. In addition, further technological innovation and economies of scale will continue to bring down costs of such installations and will eventually result in renewable energy projects being less, or no longer dependent on governmental support.

## 2. Investment objective

The overall objective of the Sub-Fund is to offer investors an environmentally sound investment in renewable energy projects with the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable and lasting contribution to the development of sustainable energy sources.

The Sub-Fund aims to have a blended portfolio of Equity and Quasi-equity financing. Through this blend it aims to realize an average net annual return of 4 to 6% (total of direct and indirect result, calculated over 10 years). Important note: This is an objective that the Sub-Fund aims to achieve. It cannot, however, guarantee that it will achieve its goal, given market fluctuations and other risks to which the investments are exposed.

### 3. Vision

All activities of the Sub-Fund will be based on Triodos Group's values, that focus on sustainability and the "Triple P" principle (People, Planet, and Profit). These values require projects to have a positive impact on the environment and contribute to sustainability: reduce CO<sub>2</sub> emission, replacing fossil fuels and providing clean energy to off takers.

Energy has become a necessity of modern life, and access to it allows for economic development. In the AIFM's vision investing in renewable energy will improve the quality of life. The Sub-Fund aims at playing a catalysing role in the transition to a further growth of the renewable energy sector and a reduction of CO<sub>2</sub> emissions.

### 4. Investment policy

The AIFM aims to further develop the renewable energy sector by investing in clean power producing assets to further increase the share of clean energy of the total energy demand and to reduce the CO<sub>2</sub> emissions.

#### Type of investments

The Sub-Fund invests predominantly in renewable energy producing project companies. These project companies produce energy from natural resources such as wind, sun, biomass and running waters. The Sub-Fund does not invest in renewable energy technology or technology providers.

The main focus of the Sub-Fund will be on investments in wind farms, solar photovoltaic and solar thermal installations, clean biomass installations and small hydro projects. Typically, these installations are privately owned, and/or operated by a special purpose company.

The Sub-Fund will primarily invest in project companies that operate existing renewable energy power plants or newly developed plants/installations at Financial close, which constitute well developed projects (e.g. use of proven technologies, solid project contracts, adequate insurance cover, qualified management of the project and availability of irrevocable required permits and licences, Power Purchase Agreement, grid connection, solid cash flow projection and project financing in place to the satisfaction of the Sub-Fund).

From a diversification perspective the Sub-Fund may additionally invest in consent<sup>1</sup> phase type of assets. These

<sup>1</sup> Consent refers to a project that has all licences, consents, permits and authorities necessary to carry on its business and to allow the construction and operation of the project, all of which are valid and subsisting. Additionally, the project has secured the land rights and grid connection to construct and operate the project.

project companies still require senior debt financing to reach the Financial close phase. Therefore investing in these projects is comparable to financing working capital. Investments in consent phase types of assets encounter a slightly higher risk for the Sub-Fund compared to investments in projects at the Financial close phase but may generate higher returns. This type of assets will contribute to a more sustainable positioning of the Sub-Fund towards developers and project companies that seek co-investment opportunities.

The Sub-Fund may on an ancillary basis invest in project-development type of activities, such as development of new wind farms. Project development is associated with higher risk, but also higher returns.

In addition to investments in renewable energy production facilities, the Sub-Fund may also invest in qualifying energy efficiency projects.

#### Targeted countries; geographic focus

The Sub-Fund's focus is on Europe, with the Netherlands, Germany, Belgium, France, Spain and the United Kingdom and Scandinavia being the main markets. Projects may also be sourced in other European countries, including the Central European countries such as the Baltic States, Poland and the Czech Republic.

Investment volumes in the non Euro denominated investments will be limited.

#### Syndications

The Sub-Fund may enter into syndicated finance agreements with other funds or entities, managed by Triodos Group or managed by other entities.

#### Financing instruments

The Sub-Fund will invest in Equity and/or Quasi equity, such as Subordinated debt or preferred capital, in qualifying investments. Capital requirements for the targeted energy production facilities typically vary between EUR 10 and EUR 100 million. The typical assumed Sub-Fund investment amount per project will have a minimum of EUR 0.5 million up to a maximum amount of 15% of the total assets of the Sub-Fund. The Sub-Fund may take minority as well as majority positions in the target project companies.

For the temporary investment of liquidity surpluses, the Sub-Fund may invest in Bonds and Money Market Instruments issued by companies, governments or public international bodies admitted to the Triodos sustainable of these instruments investment universe. The AIFM assesses the sustainability on the basis of best-in-class performance and minimum sustainability standards. These criteria are based on (i) the degree to which the

sustainability of our society is influenced and (ii) the respect of our cultural heritage, animal wellbeing, ecosystems, human rights, natural resources, social structures and public health.

In the interest of the Shareholders and for purposes of tax- and subsidy efficient management, the Sub-Fund may decide to invest by interposing one or more holding companies between the Sub-Fund and its investments in compliance with the following applicable Luxembourg regulatory requirements:

- the Sub-Fund shall hold such holding company's entire capital;
- the sole purpose of such holding company shall be to directly or indirectly own assets acquired for the purpose of implementing the investment objectives of the Sub-Fund;
- the holding company shall comply with the investment restrictions of the Sub-Fund;
- the securities of the holding company shall be issued in registered form only;
- the majority of managers of the holding company shall be chosen amongst the directors of the Company;
- the auditors of the accounts of the holding company shall be of the same group as the Auditor;
- the financial year-end of the holding company shall be on the same date as the financial year-end of the Company;
- the Company's semi-annual and annual accounts shall include a list of final investments made through such holding company/companies;
- the Depositary shall be in a position to look through the holding company to carry out its safekeeping duties.

In line with the above, Triodos S II LuxCo S.à r.l., an intermediate holding company and wholly-owned subsidiary of Triodos SICAV II, was incorporated under Luxembourg law on 16 February 2011. Triodos S II LuxCo S.à r.l. acts as a holding company for a selection of investments made by the Sub-Fund.

The investments of the Sub-Fund will be in Europe. Investments in non-Euro currencies may be hedged against the Euro, where possible and deemed appropriate.

## 5. Investment restrictions

(see also "Risk factors")

### Risk diversification

The Sub-Fund may:

- invest up to 100% of its total assets in securities not listed on a stock exchange nor dealt on a Regulated Market;
- invest up to 15% of its total assets in securities and financing instruments issued by the same entity;
- acquire up to 100% of the securities and the financing instruments issued by the same entity;
- invest up to 5% of its total assets in project-development type of activities;
- invest up to 15% of its total assets in consent (as clarified above) phase type of assets;
- invest up to 40% of its total assets in non-Euro denominated investments;
- invest up to 10% of its total assets in other UCI's;
- invest up to 40% of its total assets in one country;
- invest up to 20% of its total assets in one single non-euro currency.

### Borrowing – Leverage

The Sub-Fund may borrow up to 10% of its Net Assets for short-term liquidity requirements.

In addition the Sub-Fund may temporarily borrow up to 10% of its Net Assets to finance new investments.

Within this limit, the Sub-Fund will borrow money from reputable financial institutions.

In implementing its investment policy the Sub-Fund will generally not make use of leverage. The Sub-Fund can only use leverage in the situations described above when borrowing money and then the Sub-Fund's leverage will be expected at a maximum of 120% using the commitment method of calculation and 60% using the gross method of calculation.

### Techniques and instruments

The Sub-Fund shall not invest in other instruments, other than currency hedging instruments, debt swaps or similar agreements, designed to manage risk associated with borrowings, and similar risk management derivatives, within the limits set forth in Appendix A.

## 6. Risk factors

Investors should regard investment in the Sub-Fund as a long-term investment which is subject to a high degree of risk.

This section describes the main risks of the Sub-Fund, as identified in Strategic Risk Assessments, in order of importance; however, other risks may exist.

### Liquidity risk

The Sub-Fund invests almost exclusively in assets not listed on any stock exchange, or assets not traded on a Regulated Market. The investments, and subsequently the Sub-Fund therefore are relatively illiquid.

There is no guarantee that there are sufficient funds to pay for the redemption of Shares of the Sub-Fund and there is no guarantee that the redemption can take place at the requested date.

### Country & regulatory risks

Many of the project company related contracts, such as the Power Purchase Agreements, subsidy agreements, green and/or renewable energy certificates, carbon offset arrangements, etc., are subject to government regulation and may change over time.

Fluctuations in energy market prices. Fluctuations in global energy and oil prices may influence the Power Purchase Agreements and project revenues.

Some countries within the EU have known a relatively unstable recent past and currently are in less stable political situations than other countries. Political instability can influence the stability of the renewable energy regulatory framework and hence the results of the Sub-Fund.

The value of the Sub-Fund's investments may be affected by uncertainties in the form of unforeseen domestic abrupt changes of policy with regard to legal and tax legislation or regulation, the government's fiscal and monetary stance, currency repatriation and other economic regulations are also possible, including expropriation, nationalization, or confiscation of assets or changes in legislation regarding the permissible share of foreign ownership of companies or assets or any other matter that may impact the Sub-Fund and or its investments.

### Project risks

#### Technological risks

The performance of the Sub-Fund is determined by variable factors such as wind speed, rainfall and irradiation of sunlight. Inherent fluctuations of available

energy and seasonality are assessed in (or during) the due diligence process prior to each investment.

#### Technological failure and insurance coverage

The Sub-Fund will invest in project companies that use proven technologies with strong warranty and service packages, complemented with adequate insurance coverage. Generally, warranties will guarantee a level of availability and planned generating capacity for a number of years and in many cases there will be a fixed price for the provision of operations and maintenance. Insurance coverage for machine failure and loss of revenues will be required, where possible.

#### Defaults on PPA by counterparties

There is no guarantee that any third party will not default. This risk is to some extent mitigated by the fact that alternative counterparties are available in the market.

### Construction risk

The project companies in which the Sub-Fund will invest, will work with reputable constructors. However, there is no guarantee that these suppliers will not default and thus cannot complete the construction.

### Valuation Risk

As the Sub-Fund invests almost exclusively in assets not listed on any stock exchange, or assets not traded on a Regulated Market, its investments may not have readily available prices and may be difficult to value. In order to determine the value of these investments, the Sub-Fund will employ a consistent, transparent and appropriate evaluation methodology, based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV), as published by the IPEV Board and endorsed by the European Private Equity and Venture Capital Association (EVCA). To the extent that this methodology relies on periodic market-based data and peer group comparisons, the valuation of the Sub-Fund assets may fluctuate with the variations in such data. In addition, there is no guarantee that the valuations applied at the time of investment will allow for the build-up of business value or be able to provide returns to investors.

### Interest rate risk

The return of the Sub-Fund partly depends on the developments in the capital markets. Depending on the composition of the portfolio a change in the interest rates in the capital markets can have either a positive or negative effect on the results of the Sub-Fund.

### Currency risks

The Sub-Fund is a Euro denominated fund. For investments in Euro-zone countries with the Euro

currency, currency exchange risks are non-existent. The Sub-Fund may also invest in European countries which do not use the Euro as their currency. In such case, a currency risk may occur. The Sub-Fund may take measures to hedge such currency risk, where possible and feasible to reduce such risks.

### Concentration risk

The Sub-Fund has a very specific, sector based investment focus on renewable energy. The associated typical risks of the (renewable) energy market will be spread to a limited extent only.

### Financial risks

The Sub-Fund invests almost exclusively in risk-bearing assets, that are usually unsecured and that do not offer collateral (or offer second ranked collateral after the Senior debt lenders).

The Sub-Fund will invest in project companies that are often highly leveraged. Shares issued by the project companies (and partially owned by the Sub-Fund) may therefore be pledged to the bank providing the Senior debt to these project companies.

The return on the underlying investments may be generated, or become available for the Sub-Fund after a number of years only, or after the partial or total sale of those investments. Usually, divestments, if any, will take place after 7-10 years as a minimum. In case of a major default by the project the (expected) return may never be generated at all.

Insufficient access to new funding from investors in the Sub-Fund may keep the Sub-Fund from competitive bidding.

In the event that there are insufficient projects to invest in, the overall return would suffer as a result of holding too high a proportion of cash.

### Inflation Risk

Inflation risk refers to the possibility that the value of assets or income will decrease as inflation shrinks the purchasing power of a currency.

### Counterparty Risk

Counterparty Risk refers to the risk that a Sub-Fund's counterparty cannot live up to the contractual obligations as agreed upon between the Sub-Fund and the counterparty. Counterparty risk can arise from derivatives positions, bank deposits and investments in money market funds. By only allowing counterparties with a high credit rating as eligible counterparties for transactions

regarding money market funds, derivatives and deposits, the counterparty risk is mitigated.

### Organisational risks – Conflicts of interest

Loss of key personnel, especially with the AIFM, could have an adverse effect on the Sub-Fund's ability to maintain its investments plans and strategy. In addition to the team at the AIFM, the Triodos Group has a number of experienced renewable energy financing professionals who are able to support the core team.

Different Triodos Group related entities (including other funds managed by Triodos IM or affiliates) may be involved as Senior debt and/or Equity providers to the investee companies of the Sub-Fund. This could create a conflict of interest, in particular, if in default situations, the Sub-Fund's interest would deviate from the interest of other Triodos Group entities or entities managed by Triodos IM. The AIFM has a policy in place on confidential information and conflicts of interest. Such investments will be reported to the Board of Directors.

## 7. Classes of Shares

There are currently three Classes of Shares available, namely:

Euro-denominated Class "R" Shares Capitalisation (ISIN Code: LU0254371015),

Euro-denominated Class "Z" Shares Capitalisation (ISIN Code: LU0842293341),

Euro-denominated Class "I" Shares Capitalisation (ISIN Code: LU0254372179),

Euro-denominated Class "P" Shares Capitalisation (ISIN Code: not available).

Class "R" Shares are open to certain retail investors, dependant on their country of residence.

Class "Z" Shares are open to designated retail investors who subscribe through a Sub-Distributor (with exclusion of other selling agents that are not approved by the Distributor or the Company). Class "Z" Shares do not charge any form of distribution fee.

Class "I" Shares are restricted to Institutional Investors.

Class "P" Shares are open to entities of Triodos Group.

Class "P" Shares give the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the Company out of which a majority of the Board of Directors of the Company must be appointed. Initially, Shares are issued in registered form only.



## 8. Distribution policy

Currently, all Shares are of the Capitalisation type. Net realised income on investments of the Sub-Fund is reinvested in the Sub-Fund. No distributions of dividends will take place.

## 9. Taxation

The Company is as a rule liable in Luxembourg to an annual subscription tax (taxe d'abonnement) of currently 0.05% per annum. The taxable basis of the subscription tax is the aggregate Net Assets of the Company as valued on the last day of each quarter. Individual classes of securities issued within the Sub-Fund of the Company that are reserved to one or more Institutional Investors are however subject to the annual subscription tax at the reduced rate of 0.01%. Accordingly, the Class "R" Shares and the Class "Z" Shares are subject to the annual subscription tax at the rate of currently 0.05%, while the Class "I" and "P" Shares are restricted to Institutional Investors exclusively and therefore are subject to the annual subscription tax at the rate of 0.01%.

## 10. Typical investor

The typical retail investor in the Sub-Fund would be a private individual, who wants to contribute to and/or benefit from the anticipated growth of Europe's renewable energy sector, in particular the renewable energy power production.

Investments in the Sub-Fund are suitable for retail investors who consider a UCI as a convenient way of participating in capital markets developments and who are looking for a more diversified investment profile to include investments in the renewable energy sector.

The typical Institutional Investor of the Sub-Fund is looking for an alternative and sustainable ("green") investment profile that benefits from the steeply growing demand for renewable energy production throughout Europe.

The Sub-Fund will be exclusively invested in, and exposed to the European renewable energy market. All investors should therefore accept exposure to trends in this market. The Sub-Fund is designed to achieve long-term, steady capital growth. The Sub-Fund is therefore intended for investors without an immediate need for redemption of their investments and who can handle the risk of losing (part of) their investment.

## 11. Listing on a stock exchange

The Shares of the Sub-Fund are currently not listed on a stock exchange. The Board of Directors reserves the right to list them in the future. In such event, the Sub-Fund Particulars will be amended accordingly.

## 12. Reference Currency

The Reference Currency of the Sub-Fund is the Euro.

## 13. Subscriptions

Shares may be subscribed once a week, on the Valuation Date as such date is defined hereafter under section 16.

The Board of Directors may determine to call an additional Valuation Date, in which case the Registrar Agent will notify any investors who have submitted subscription instructions for the next normal Valuation Date and offer such investors the option of having their subscription processed on the additional Valuation Date.

Shares will be issued at a price based on the Net Asset Value per Share calculated on the Valuation Date.

Applications for subscription of Shares may be submitted to the (Sub-)Distributor on a continuous basis.

Applications for Shares received by the Registrar Agent on the Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time) will, if accepted, be processed on that Valuation Date.

Any applications received after the applicable deadline on the Business Day preceding the Valuation Date will be processed on the following Valuation Date.

Payment for Shares subscribed must be (irrevocably) received on the Sub-Fund's bank account held with the Depositary no later than three Business Days after the relevant Valuation Date. In the event of a late payment, the investor may be charged with an interest.

### Subscription requirements and charges

A subscription charge of up to a maximum of 5% may be applied for the benefit of the Distributor, the Sub-Distributor(s) and/or other selling agents. The precise subscription charge can be obtained from the (Sub-)Distributor.

The table below shows the minimum holding requirements, the minimum initial requirements and the subsequent investment requirements for each Class of Shares.



	Minimum holding requirement	Minimum initial requirement	Subsequent investment requirement
Class "P" Shares Capitalisation	No minimum	No minimum	No minimum
Class "R" Shares Capitalisation	No minimum	No minimum	No minimum
Class "Z" Shares Capitalisation	No minimum	No minimum	No minimum
Class "I" Shares Capitalisation	EUR 100,000	EUR 100,000	No minimum

The Board of Directors, at its discretion, may accept subscriptions of other amounts or establish different holdings in the future for all mentioned Classes of Shares.

## 14. Redemptions

As mentioned in the first section of this Sub-Fund Particulars "Background", the Sub-Fund aims to provide Equity and Quasi-equity financing to renewable energy projects. Such assets are less liquid than listed and other easily Transferable Securities. In order to support these types of projects over the long run, investors are invited to invest in the Sub-Fund, while keeping in mind the long term horizon of the underlying investments. All the parties involved will benefit from such an approach.

The Sub-Fund is semi open-ended, i.e. Shares may be redeemed in principle once a week, on each Valuation Date as such date is defined hereafter under section 16. However, the Company is entitled to suspend the execution of the redemption applications received, in accordance with sections "Redemption of Shares" and "Net Asset Value" in the main body of the Prospectus.

Shares will be redeemed at a price based on the Net Asset Value per Share calculated as of the Valuation Date.

Applications for redemptions, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), the Business Day before the relevant Valuation Date.

Applications for redemptions of Shares will be processed in order of receipt.

Any applications received after the applicable deadline will be processed on the following Valuation Date.

Payment for Shares redeemed will in principle be effected no later than three Business Days after the relevant Valuation Date. Redeemed Shares will not be paid, pending the receipt of (i) documents required by the Registrar and Transfer Agent for the purposes of compliance with applicable laws and regulations, and/or (ii) documents required by the Registrar and Transfer Agent for the purposes of compliance with tax legislation which might be applicable because of the country of citizenship,

residence or domicile of the relevant Shareholder, and/or (iii) its bank details in original written format (if not previously supplied). In such an event, the investor may be charged with an interest.

Redemption costs of 0.5% of the Net Asset Value will be charged for the benefit of the Sub-Fund. The redemption costs may further be increased by transaction costs of up to a maximum of 1% of the Net Asset Value, payable to the Distributor, the Sub-Distributor(s) and/or other selling agents. The level of these transaction costs can be obtained from the (Sub-)Distributor.

## 15. Conversions

Shares of one Class of Shares of this Sub-Fund may be converted into Shares of another Class of Shares of this Sub-Fund in principle on each Valuation Date, subject to restrictions as to the terms and conditions applicable to the relevant Share Classes as described elsewhere in the Sub-Fund Particulars.

Shares will be converted at prices based on the Net Asset Value per Share calculated as of the Valuation Date.

Applications for conversion of Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the conversion deadline, which is 4.00 p.m. (Luxembourg time), the Business Day before the relevant Valuation Date. Any applications received after the applicable deadline will be processed on the following Valuation Date.

Conversion costs of up to 0.5% of the Net Asset Value may be charged for the benefit of the Sub-Fund.

## 16. Frequency of the Net Asset Value calculation and Valuation Date

The Net Asset Value per Share will be calculated weekly on each Thursday (or, if such day is not a Business Day, on the following Business Day) (the "Valuation Date").

For the valuation method used, please refer to the general valuation method as mentioned in the section "Net Asset Value" in the main body of the Prospectus.

## 17. Charges and expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Ongoing Charges for the Sub-Fund to a maximum of 3.5% of its average Net Assets over the twelve months prior period. The charges and expenses can be divided as follows:

### a. Management fee

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.95% for Class “I” Shares and Class “P” Shares, calculated on the relevant Class’ Net Assets, accrued weekly and payable quarterly.

The Sub-Fund pays for the provision of management services, supporting services and distribution activities an annual fee of 2.5% on Class “R” Shares, calculated on the Class’ Net Assets, accrued weekly and payable quarterly. A maximum of 0.55% can be granted to Distributor(s). Costs for marketing and distribution activities related to retail investors and attributable to Class “R” Shares will only be borne by Class “R” Shares and will be part of the management fee.

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.95% for Class “Z” Shares, calculated on the relevant Class’ Net Assets, accrued weekly and payable quarterly. Shareholders may be requested by their (Sub-) Distributor(s) to pay additional fees to this (Sub-) Distributor(s) in accordance with applicable laws and regulations.

### b. Marketing expenses

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 this Share Class’ Net Assets.

### c. Fees of the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

The Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company are entitled to receive fees in accordance with usual practice in Luxembourg and payable monthly. The Sub-Fund strives to limit the fees payable to the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company up to a maximum of 0.60% per annum for their services. In addition, the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of

the Company will be entitled to fees with respect to transactions. Please refer to the latest annual report for the latest overview.

In addition, reasonable disbursements and out-of-pocket expenses incurred by such parties are charged to the Sub-Fund.

### d. Other expenses

In compliance with the general part of the Prospectus:

- The 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.

The Sub-Fund strives to limit the other expenses amount to 0.40% per annum. In addition, transaction fees may be due. Please refer to the latest annual report for the latest overview.

# Sub-Fund Particulars:

## Triodos SICAV II – Triodos Microfinance Fund.

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The information contained in these Sub-Fund Particulars must be read in conjunction with the complete text of the Prospectus of the TRIODOS SICAV II.

The TRIODOS SICAV II – Triodos Microfinance Fund (the “Sub-Fund”) was created for an unlimited period of time.

Investors must be aware of the fact that investing in the Sub-Fund involves a high degree of risk due to the illiquid nature of the assets. Accordingly, the Sub-Fund is only suitable for investors who can afford to take such risks and to set aside the capital for a long-term investment.

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## Definitions

<b>Bond</b>	debt investment in which an investor lends money to typically a company or a government mostly for a defined period of time at a variable or fixed interest rate
<b>Convertible debt</b>	debt that can be converted into a predetermined amount of the company's equity at certain times during its life, usually at the discretion of the lender
<b>Equity</b>	ownership interest in a company
<b>Financial Inclusion</b>	is linked to a country's economic and social development, and plays a role in alleviating poverty. Financial inclusion efforts seek to ensure that all households and businesses, regardless of income level, have access to and can effectively use the appropriate financial services they need to improve their lives.
<b>Investee</b>	entity that the Sub-Fund will invest in
<b>Micro-entrepreneur</b>	small and/or micro businesses or self-employed people in developing and transition countries
<b>Microfinance</b>	providing financial services, including but not limited to microcredit, housing finance, savings, payment facilities and insurance to low-income, underserved but economically active people
<b>Microfinance sector</b>	the sector which comprises institutions, funds and intermediate vehicles focused on providing financial services to low-income people in developing and transition countries
<b>MFI or Microfinance Institution</b>	organisation that provides financial services ranging from credit to savings facilities, insurance, money transfer and other related banking services to low-income people. An MFI is not restricted to a certain legal form, i.e. it includes NGOs as well as fully licensed banks
<b>Money Market Instrument</b>	instrument normally dealt on the money market which is liquid, and has a value which can be accurately determined at any time
<b>Senior debt</b>	debt that has priority for repayment in the event of a default or a liquidation
<b>SME</b>	Small and Medium-sized Enterprise. The typical size (including turnover, balance sheet size and number of employees) of an SME varies per country, region and sector, but generally an SME is the next level of company size following a micro-enterprise
<b>Subordinated debt</b>	debt that in the event of a default or liquidation is repaid only after senior debt has been repaid

## 1. Background

A significant number of low income people and SMEs in developing countries and economies in transition do not have any access to financial services. One of the principal objectives of Microfinance and financial inclusion related initiatives is to create an all-inclusive financial sector in which the majority of the people will have access to financial services. Access to these financial services will enable them to build their assets gradually, develop their enterprises, and improve their income earning capacity, to help save for future events. An inclusive financial sector, where the majority of people have access to financial services, provides a sustainable basis for balanced socio-economic development.

### For whom

Microfinance offers low income people access to basic financial services such as loans, savings, money transfer services and micro insurance. People living in poverty, like everyone else, need a diverse range of financial services to run their businesses, build assets, smooth consumption, and manage risks. According to the World Bank, 2 billion still have no access to basic financial services. Many of these people are potential Microfinance clients. Microfinance clients are a diverse group of people – and require diverse products. While women clients make up a majority of clients – and in some instances comprise 100 percent of an MFI's clientele, 33 percent of all Microfinance clients are men (Source: CGAP). These clients operate small businesses, work on small farms, or work for themselves or others in a variety of businesses.

In some cases Micro-entrepreneurs succeed in growing their businesses into small and even medium sized enterprises (SMEs). Increasingly Microfinance banks offer financial services to SMEs as well. Of importance is also access to reliable savings that help people to reduce their vulnerability to major budget shocks and invest in the education of their children, payments services and insurance products.

### Track record

Triodos IM has contributed its unique experience in sustainable banking to the Microfinance sector since 1994. Triodos IM manages different microfinance investment funds which provide finance for more than 110 Microfinance Institutions in more than 45 countries in Latin America, Africa, Asia and Eastern Europe. The total assets in Microfinance managed by Triodos IM amount to EUR 660 million at 31 December 2014.

### Microfinance sector

Over the past ten years Microfinance has rapidly evolved and expanded. Many national governments across all continents have come to recognize the importance of building inclusive financial sectors – where the majority of people have access to financial services. The financial inclusion gap has appeared on the agenda of the United Nations and G20, for example. Well over 10,000 MFIs are active in the world at present, either independently or with support from donors, development banks and other organizations. The vast majority of these MFIs are still in a relatively early phase of development, but there is a steadily growing number of MFIs which have gone through organizational and operational development phases, are relatively mature, structured and sophisticated in their approach and are financially sustainable. In most cases, these organizations are supervised by relevant regulatory authorities within their country and are able to offer a variety of financial services including saving facilities.

It is important that a range of institutions like NGOs, specialized Microfinance Institutions, savings and credit cooperatives as well as commercial banks with a focus on SMEs are involved in the sector. Each type of institution can add their own unique expertise and experience and reach specific target groups. Recently, new technologies, especially wireless services, promise to dramatically transform the Microfinance sector, allowing financial services to be brought to even the most remote and isolated areas where no branch would be viable.

Furthermore, the number and level of financial services is increasing rapidly and at present, in addition to the credit, saving and payment facilities, the development of micro-insurance services is emerging through cooperation with experienced insurance providers. Another financial service that is increasingly provided is the provision of microloans for housing or home improvement.

The level of availability and sophistication of financial services vary greatly around the world. Average loan sizes for Microfinance clients can vary from just over EUR 250 in some parts of Africa and Asia to a few thousand Euros in the Eastern European and Central Asian market.

The Sub-Fund will invest in financial institutions that stimulate further growth of the provision of financial services to the lower segments in the markets in which Microfinance Institutions and SME banks are active. As the demand for financial services in this segment in many countries is still high, further growth of the sector is required in order to achieve an all-inclusive financial sector.

In the current market Microfinance Institutions have a need for additional Equity, Subordinated debt, Convertible debt and Senior debt, mostly in local currency (in order for

the financial institutions not to be exposed to currency risks). The Sub-Fund will primarily focus its investments on these instruments that will be provided mainly to regulated Microfinance Institutions and SME banks with a sound financial and operational track record

## 2. Investment objective

The overall objective of the Sub-Fund is to offer investors a financially and socially sound investment in the Microfinance sector mainly through investments in Microfinance Institutions and SME banks. The Sub-Fund has the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable and sustainable contribution to the development of an inclusive financial sector in which the majority of people have access to financial services.

The target of the Sub-Fund is to invest 20-25% of its assets in Equity (mostly denominated in local currency), up to 20% in Subordinated and/or Convertible debt (mostly denominated in local currency), 55-60% in Senior debt instruments in local currency as well as in U.S. Dollars and Euros. For liquidity management purposes the Sub-Fund aims to retain 10% of its assets in cash or equivalents to cash.

Through this blend of investments the Sub-Fund aims to realise an average net annual return in Euro of 5 to 8% (total of direct and indirect result, calculated over a period of 7 years).

Important note: This is an objective that the Sub-Fund aims to achieve. It cannot however guarantee that it will achieve its goal, given market fluctuations and other risks to which the investments are exposed.

## 3. Vision

All activities of the Sub-Fund will be based on Triodos Group's values, that focus on sustainability and the "Triple P" principle (People, Planet, Profit).

These values demand that a project has a positive social impact as well as a positive impact on the environment and contributes to sustainability.

In the AIFM's vision, Microfinance is part of an all-inclusive financial sector with access for the majority of people in order to achieve sustainable social-economic development.

The Sub-Fund aims at playing a catalysing role in the Microfinance and SME sectors by being actively involved as a lender and as an investor. In the role of equity investor, the Sub-Fund will usually be represented in the board of directors of Investees by senior staff of the AIFM

or in some cases, experienced bankers. In this role, the AIFM contributes actively to the governance by sharing its expertise in sustainable banking and its specific expertise in Microfinance.

As an investor the AIFM can influence the direction the Microfinance sector takes. It shares the responsibility with everyone involved in the value chain – investors, Microfinance Institutions and SME banks and other stakeholders – to understand, acknowledge and act in the interests of the clients. Focusing on the interests of these clients and their families, who are typically living on low incomes and are constrained by limited financial knowledge, power and influence, is the only way to achieve long term sustainable financial results.

## 4. Investment policy

### Type of investments

The Sub-Fund aims at delivering a full range of financial services to the underserved in developing countries and countries in transition. This includes SMEs as well, which in many countries, still lack access to financial services and specifically credits. The Sub-Fund will realize this by contributing to the development of Microfinance into a fully-fledged and integral part of the financial sector in developing and transition countries. Generally, the investments of the Sub-Fund will be allocated in financial institutions that provide financial services to Micro-entrepreneurs and SMEs.

The investment by the Sub-Fund might therefore be in a commercial bank that primarily provides services to SMEs. Such an investment by the Sub-Fund might take place when there is a clear market demand for financial services to SMEs and the commercial bank is best suited to provide these services.

The investments of the Sub-Fund will be focused on the following Investees:

- Microfinance Institutions, other financial institutions and SME banks aimed at providing financial services to low-income people, micro-enterprises and SMEs
- Intermediary investment vehicles and funds focused on investments in the Microfinance and Financial Inclusion sector
- Holding companies of Microfinance Institutions and/or SME banks
- Special Purpose Vehicles for Microfinance Institutions and/or SME banks
- Structured notes or other collateralized debt instruments in the Microfinance sector

The Sub-Fund will mostly invest, directly or indirectly, in Microfinance Institutions and other applicable financial institutions that have a track record and have gone

through the first phase of rapid growth and are financially sustainable. The Sub-Fund can also invest in greenfield Microfinance Institutions. In most cases these institutions will be supervised by relevant local government authorities.

#### Targeted countries; geographic focus

The Sub-Fund's focus is on developing countries and economies in transition.

#### Financing instruments

The Sub-Fund will invest in Equity, Subordinated debt, Convertible debt, Senior debt, and debt instruments of qualifying investments. The assumed Sub-Fund investment amount per investment project will typically be between EUR 1 million and EUR 10 million, but is bound by the single client exposure and other investment restrictions as provided for in section 5. The Sub-Fund will generally take minority Equity positions in the Investees.

The Sub-Fund will mainly invest in non-listed securities and investment instruments other than Transferable Securities. However, the Sub-Fund may also, on an ancillary basis, invest in stock-listed companies. For the temporary investment of liquidity surpluses, the Sub-Fund may invest in Bonds and Money Market Instruments issued by companies, governments or public international bodies admitted to the Triodos sustainable investment universe. The AIFM assesses the sustainability of these instruments on the basis of best-in-class performance and minimum standards. These criteria are based on (i) the degree to which the sustainability of our society is influenced and (ii) the respect of our cultural heritage, animal wellbeing, ecosystems, human rights, natural resources, social structures and public health.

The Equity investments of the Sub-Fund will primarily be in local currency, i.e. any currency other than U.S. Dollars and Euro. For debt financing, the investments will be a mixture of local currency and investments in U.S. Dollars and Euro.

Investments in U.S. Dollars will be hedged to a large extent against the Reference Currency of the Sub-Fund (perfect hedges of the interest and principal flows may not be economical). Investments in local currencies may be hedged where possible and deemed appropriate. Cash and liquid assets will be mainly invested in Euro.

#### Syndications

The Sub-Fund may enter into syndicated finance agreements with other funds, managed by Triodos Group or managed by other entities.

## 5. Investment restrictions

(see also “Risk factors”)

#### Risk diversification

The Sub-Fund may:

- invest up to 100% of its total assets in securities not listed on a stock exchange nor dealt on a Regulated Market;
- invest up to 40% of its total assets in Equity instruments
- invest up to 20% of its total assets in Subordinated debt and/or Convertible debt instruments
- invest up to 15% of its total assets in securities and financing instruments issued by or provided to the same entity;
- invest up to 20% of its total assets in securities and financing instruments issued by or provided to entities that operate in the same country;
- invest up to 10% of its total assets in other UCIs;
- acquire up to 25% of the total Equity issued by a single MFI;
- acquire up to 25% of the securities and the financing instruments issued by any single Microfinance investment vehicle;
- acquire up to 50% of any note or tranche of financial instruments of the same kind issued by a structured finance vehicle (independently of its total assets).

#### Currency exposure

The Sub-Fund may invest up to 90% of its total assets in local currency investments (Equity, Subordinated debt, Convertible debt and Senior debt) with a maximum exposure of 60% of its total assets in un-hedged local currency investments.

The Sub-Fund may invest up to 10% of its total assets in un-hedged exposures of a single local currency.

#### Borrowing – Leverage

The Sub-Fund may borrow up to 10% of its Net Assets for short-term liquidity requirements.

In addition the Sub-Fund may temporarily borrow up to 10% of its Net Assets to finance new investments.

Within this limit, the Sub-Fund will borrow money from reputable financial institutions.

In implementing its investment policy the Sub-Fund will generally not make use of leverage. The Sub-Fund can only use leverage in the situations described above when



borrowing money and then the Sub-Fund's leverage will be expected at a maximum of 120% using the commitment method of calculation and 60% using the gross method of calculation.

### Techniques and instruments

For the purpose of hedging, efficient portfolio management, duration management or other risk management of the portfolio, the Sub-Fund may use techniques and instruments as described, and within the limits set forth, in Appendix A.

## 6. Risk factors

Investors should regard investment in the Sub-Fund as a long-term investment which is subject to a high degree of risk.

This section describes the main risks of the Sub-Fund, as identified in Strategic Risk Assessments, in order of importance; however, other risks may exist.

### Currency risks

The Sub-Fund may invest up to 90% of its total assets in local currency investments (Equity, Subordinated debt, Convertible debt and Senior debt) with a maximum exposure of 60% of its total assets in unhedged local currency investments.

The issued Shares of the Sub-Fund will be denominated in Euro and British Pound. Currency risks for U.S. Dollar investments will be hedged towards the Euro and currency risk for local currency investments may be hedged towards the Euro to the extent deemed appropriate and possible. The remaining non-hedged investments are subject to currency risk. The Euro risk will be hedged for the British Pound Classes.

Important note: Investors in the British Pound Share Classes should be aware that the reference currency of the Sub-Fund is the Euro. The hedging is not perfect and investors in British Pound Share Classes should allow for some exposure to Euro risk. As a consequence, the performance of the British Pound Share Classes may somewhat deviate from the performance of their equivalent Euro Share Classes.

### Liquidity risk

The Sub-Fund invests almost exclusively in non-stock listed assets, or assets not traded on a Regulated Market. The investments, and subsequently the Sub-Fund therefore are relatively illiquid. The valuation of these illiquid, non-listed assets, on a monthly basis may vary substantially from the value realised at time of exit of such assets.

There is no guarantee that there are sufficient funds to pay for the redemption of shares of the Sub-Fund and there is no guarantee that the redemption can take place at the requested date.

### Country risks

The Sub-Fund will invest in countries classified as transition or developing countries. These countries can be subject to high political risks, they may be in an economic recession with sometimes high and quickly fluctuating inflation rates, with an often poorly developed framework and where standards for auditing and reporting may not be in line with internationally accepted standards. In these countries foreign investments may be subject to restrictions and controls of varying degrees. This may increase the costs of the investments. It may also delay or restrict investments or repatriation of capital after an investment has been made.

### Valuation Risk

As the Sub-Fund invests almost exclusively in assets not listed on any stock exchange, or assets not traded on a Regulated Market, its investments may not have readily available prices and may be difficult to value. In order to determine the value of these investments, the Sub-Fund will employ a consistent, transparent and appropriate evaluation methodology, based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV), as published by the IPEV Board and endorsed by the European Private Equity and Venture Capital Association (EVCA). To the extent that this methodology relies on periodic market-based data and peer group comparisons, the valuation of the Sub-Fund assets may fluctuate with the variations in such data. In addition, there is no guarantee that the valuations applied at the time of investment will allow for the build-up of business value or be able to provide returns to investors.

### Concentration risk

The Sub-Fund has a very specific, sector based investment focus on Microfinance and financial inclusion. The associated typical risks of Microfinance will be spread to a limited extent only.

### Institutional risks

The institutions, organizations and vehicles the Sub-Fund invests in are generally still young and often experience strong and fast growth. These entities sometimes face problems when attracting and retaining qualified staff and management. The Sub-Fund will mitigate this risk as much as possible in the case of direct investments in MFIs by investing mainly in entities that are regulated and supervised by their countries' relevant authorities.



The Investees might have a limited track record. Based on the longstanding experience of the AIFM, the Sub-Fund is properly capable of assessing the various aforementioned risks and taking subsequent investment decisions.

### Financial risks

The Sub-Fund invests almost exclusively in risk-bearing assets, that are usually unsecured and that do not offer collateral.

The cash flows and return on the underlying investments may be generated, or become available for the Sub-Fund after a number of years only, especially in the case of Equity investments when cash flow and return will only become available after the partial or total sale of those investments. Usually divestments of Equity investments will only take place after 5-7 years as a minimum. In case of a major default with an invested entity, the (expected) return may never be generated at all.

In the event that there are insufficient Investees to invest in, the overall return would suffer as a result of holding too high a proportion of cash.

### Interest rate risk

The return of the Sub-Fund partly depends on the developments in the capital markets. Depending on the composition of the portfolio, a change in the interest rates in the capital markets can have a positive or negative effect on the results of the Sub-Fund.

### Inflation Risk

Inflation risk refers to the possibility that the value of assets or income will decrease as inflation shrinks the purchasing power of a currency.

### Counterparty Risk

Counterparty Risk refers to the risk that a sub-fund's counterparty cannot live up to the contractual obligations as agreed upon between the sub-fund and the counterparty. Counterparty risk can arise from derivatives positions, bank deposits and investments in money market funds. By only allowing counterparties with a high credit rating as eligible counterparties for transactions regarding money market funds, derivatives and deposits, the counterparty risk is mitigated.

### Organisational risks – Conflicts of Interest

Loss of key personnel, especially with the AIFM, could have an adverse effect on the Sub-Fund's ability to maintain its investments plans and strategy.

Different Triodos Group related entities (including other funds managed by Triodos IM or affiliates) may be involved

as Senior debt and/or Equity providers to the Investees of the Sub-Fund. This could create a conflict of interest, in particular, if in default situations, the Sub-Fund's interest would deviate from the interest of other Triodos entities or entities managed by Triodos IM. The AIFM has a policy in place on confidential information and conflicts of interest. Such investments will be reported to the Board of Directors.

## 7. Classes of Shares

The Sub-Fund may offer Shares of the following Classes:

- Euro-denominated Class "P" Shares Capitalisation (ISIN Code: not available)
- Euro-denominated Class "R" Shares Capitalisation (ISIN Code: LU0402511389)
- Euro-denominated Class "R" Shares Distribution (ISIN Code: LU0402512866)
- Euro-denominated Class "Z" Shares Capitalisation (ISIN Code: LU0842298738)
- Euro-denominated Class "Z" Shares Distribution (ISIN Code: LU0842303249)
- Euro-denominated Class "B" Shares Capitalisation (ISIN Code: LU0406596501)
- Euro-denominated Class "B" Shares Distribution (ISIN Code: LU0407946978)
- Euro-denominated Class "I" Shares Capitalisation (ISIN Code: LU0402513328)
- Euro-denominated Class "I" Shares Distribution (ISIN Code: LU0402513674)
- British Pound-denominated Class "K-Retail" Shares Capitalisation (ISIN Code: LU0403566226)
- British Pound-denominated Class "K-Retail" Shares Distribution (ISIN Code: LU0403566739)
- British Pound-denominated Class "K-Z" Shares Capitalisation (ISIN Code: LU0842305533)
- British Pound-denominated Class "K-Z" Shares Distribution (ISIN Code: LU0842307588)
- British Pound-denominated Class "K-B" Shares Capitalisation (ISIN Code: LU0464591055)
- British Pound-denominated Class "K-B" Shares Distribution (ISIN Code: LU0464591139)
- British Pound-denominated Class "K-Institutional" Shares Capitalisation (ISIN Code: LU0402513914)
- British Pound-denominated Class "K-Institutional" Shares Distribution (ISIN Code: LU0402514052)

Class "P" Shares are open to entities of the Triodos Group. Class "P" Shares gives the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the Company out of which a majority of the Board of Directors must be appointed.

Class “R” Shares are open to certain retail investors, dependent on their country of residence.

Class “Z” Shares are open to designated retail investors who subscribe through a Sub-Distributor (with exclusion of other selling agents that do not have an agreement with the Distributor or the Company), dependent on their country of residence. Class “Z” Shares do not charge any form of distribution fee.

Class “B” Shares are open to clients of private banks and other investors, who do not have access to Class “I” Shares or to Class “R” Shares.

Class “I” Shares are restricted to Institutional Investors.

Class “K-Retail” Shares were offered to certain retail investors resident in the United Kingdom. Following the implementation of the Retail Distribution Review, no new “K-Retail” Shares have been issued after 31 December 2012. This Class of Shares are hedged towards the Euro.

Class “K-Z” Shares are open to certain retail investors who are resident in the United Kingdom. Class “K-Z” Shares have a particular fee structure. This Class of Shares are hedged towards the Euro.

Until 1 January 2013 Class “K-B” Shares have been opened to investors, who do not have access to Class “K-Institutional” Shares or to Class “K-Retail” Shares and who are resident in the United Kingdom. Following the implementation of the Retail Distribution Review, no new “K-B” Shares have been issued after 31 December 2012. This Class of Shares are hedged towards the Euro.

Class “K-Institutional” Shares are open to Institutional Investors, which are resident in the United Kingdom. This Class of Shares are hedged towards the Euro.

Initially, Shares are issued in registered form only.

## 8. Distribution policy

### Capitalisation Shares

For the Capitalization type Classes of Shares no dividends are distributed. The net realised income in these Classes of Shares is reinvested.

### Distribution Shares

For the Distribution type Classes of Shares dividends will be distributed upon the decision of the Board of Directors.

The Board of Directors may decide to distribute dividends in Shares in lieu of cash dividends to Shareholders in the Distribution type Classes of Shares upon prior written request by the relevant Shareholder.

Shareholders who elect to receive dividends in Shares in lieu of cash, shall receive such number of Shares of such

Class on the day of the payment of the dividends in cash, equivalent to the amount of cash they would otherwise have received, on the basis of the Net Asset Value calculated as at the Valuation Date on which such dividend is distributed.

It is the Company’s intention to distribute dividends concerning the Distribution type Classes of Shares, i.e. at least one annual distribution no later than six months after the end of the financial year to which such dividends relate.

## 9. Taxation

The Company is as a rule liable in Luxembourg to an annual subscription tax (taxe d’abonnement) of currently 0.05% per annum.

The Sub-Fund is exempt from subscription tax provided that it continues to comply with the following requirements

- (I) the investment policy of the Sub-Fund provides for an investment of at least 50% of its assets in Microfinance Institutions within the meaning of the Grand-Ducal regulation of 14 July 2010, or
- (II) it benefits from the Microfinance label from the Luxembourg Fund Labelling Agency.

## 10. Typical investor

The typical retail investor for Class “R” Shares, Class “Z” Shares, Class “B” Shares, Class “K-Retail” Shares, Class “K-Z” Shares and Class “K-B” Shares in the Sub-Fund would be i.e. a private individual, a foundation or a family trust who or which would want to contribute to the Microfinance sector, whilst at the same time earning a reasonable financial return.

Investments in the Sub-Fund are suitable for retail investors who consider an UCI as a convenient way of participating in capital markets developments and who are looking for a more diversified investment profile to include investments in the Microfinance sector.

The typical Institutional Investor for Class “I” Shares and Class “K-Institutional” Shares of the Sub-Fund is looking for an active contribution to the development of the Microfinance sector.

## 11. Listing on a stock exchange

The Shares of the Sub-Fund are currently not listed on a stock exchange. The Board of Directors reserves the right to list them in the future. In such event, the Sub-Fund Particulars will be amended accordingly.

## 12. Reference Currency

The Reference Currency of the Sub-Fund and for Class “R”, Class “Z”, Class “B”, Class “I” and Class “P” Shares is the Euro.

The Reference Currency for the Class “K-Retail”, Class “K-Z”, Class “K-B” and Class “K-Institutional” Shares is the British Pound.

## 13. Subscriptions

### Subscription of Shares

Shares may be subscribed once a month on the Valuation Date as such date is defined hereafter under section 16.

The Board of Directors may determine to call an additional Valuation Date, in which case the Registrar Agent will notify any investors who have submitted subscription instructions for the next normal Valuation Date and offer such investors the option of having their subscription processed on the additional Valuation Date.

Shares will be issued at a price based on the Net Asset Value per Share of the relevant Class of Shares calculated on the Valuation Date.

Applications for subscription of Shares may be submitted to the (Sub-)Distributor on a continuous basis.

Applications for Shares received by the Registrar Agent one Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time) will, if accepted, be processed on that Valuation Date.

Any applications received after the applicable deadline on the Business Day preceding the Valuation Date will be processed on the following Valuation Date.

Payment for Shares subscribed must be (irrevocably) received on the Sub-Fund’s bank account held with the Depositary no later than seven Business Days after the

relevant Valuation Date. In the event of a late payment, the investor may be charged with an interest. In case applicants subscribe directly with the Registrar and Transfer Agent for Class “R” Shares, Class “K-Retail” Shares, Class “B” Shares and Class “K-B” Shares without using a nominee service, payment for the Shares subscribed must be (irrevocably) received on the Sub-Fund’s bank account held with the Depositary prior to the cut-off time for subscriptions (one Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg Time)). Any payments from these kinds of applicants received after the applicable deadline will be processed on the following Valuation Date.

### Subscription requirements and charges

A subscription charge of up to a maximum of 5% may be levied by the Distributor for the benefit of the Distributor, the Sub-Distributor(s) and/or other selling agents. The precise subscription charge can be obtained from the (Sub-) Distributor.

The table below shows the minimum holding requirements, the minimum initial requirements and the subsequent investment requirements for each Class of Shares.

The Board of Directors, at its discretion, may accept subscriptions of other amounts or establish different holdings in the future for all mentioned Classes of Shares.

## 14. Redemptions

As mentioned in the first section of this Sub-Fund Particulars “Background”, the Sub-Fund aims to provide Equity, Subordinated debt, Convertible debt and Senior debt to Investees in the Microfinance sector. Such assets are less liquid than listed and other easily Transferable Securities. In order to support these types of projects over the long run, investors are invited to invest in the Sub-Fund, while keeping in mind the long term horizon of

	Minimum holding requirement	Minimum initial requirement	Subsequent investment requirement
Class “P” Shares	No minimum	No minimum	No minimum
Class “R” Shares	EUR 500	EUR 500	No minimum
Class “Z” Shares	EUR 500	EUR 500	No minimum
Class “B” Shares	EUR 50,000	EUR 50,000	No minimum
Class “I” Shares	EUR 250,000	EUR 250,000	No minimum
Class “K-Retail” Shares	GBP 400	GBP 400	No minimum
Class “K-Z” Shares	GBP 10,000	GBP 10,000	No minimum
Class “K-B” Shares	GBP 10,000	GBP 10,000	No minimum
Class “K-Institutional” Shares	GBP 200,000	GBP 200,000	No minimum

the underlying investments. All the parties involved will benefit from such an approach.

The Sub-Fund is semi open-ended, i.e. Shares may be redeemed in principle once a month, subject to a redemption notice period dependent on the Share Class (see below in this section). However, the Company is entitled to suspend the execution of the redemption applications received, in accordance with sections "Redemption of Shares" and "Net Asset Value" in the main body of the Prospectus.

Shares will be redeemed at a price based on the Net Asset Value per Share calculated as of the Valuation Date.

Applications for redemptions of the "R", "Z", "B", "P", "K-Retail", "K-Z" and "K-B" Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), 15 Business Days before the relevant Valuation Date.

Applications for redemption of the "I" and "K-Institutional" Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), 45 Business Days before the relevant Valuation Date.

Applications for redemptions of Shares will be processed in order of receipt.

Any applications received after the applicable deadline will be processed on the following Valuation Date.

Payment of Shares redeemed will in principle be effected no later than seven Business Days after the relevant Valuation Date. Redeemed Shares will not be paid, pending the receipt of (i) documents required by the Registrar and Transfer Agent for the purposes of compliance with applicable laws and regulations, and/or (ii) documents required by the Registrar and Transfer Agent for the purposes of compliance with tax legislation which might be applicable because of the country of citizenship, residence or domicile of the relevant Shareholder, and/or (iii) its bank details in original written format (if not previously supplied). In such an event, the investor may be charged with an interest.

The redemption costs of "I" and "K-Institutional" Shares for the benefit of the Sub-Fund will be determined by the Board of Directors up to 0.5% of the Net Asset Value.

For "P" Shares, "R" Shares, "Z", "B" Shares, "K-Retail" Shares, "K-Z" Shares and "K-B" Shares redemption costs of up to 0.5% of the Net Asset Value may be charged for the benefit of the Sub-Fund. For the avoidance of any doubt, the percentage of redemption costs payable to the

Sub-Fund will be equal for all redemption requests processed on a given Valuation Date.

The redemption costs may further be increased by transaction costs of up to a maximum of 3% of the Net Asset Value, payable to the Distributor, the Sub-Distributor(s) and/or other selling agents. The level of these transaction costs can be obtained from the (Sub-)Distributor.

## 15. Conversions

Shares of one Class of Shares of this Sub-Fund may be converted into Shares of another Class of Shares of this Sub-Fund in principle on each Valuation Date, subject to restrictions as to the terms and conditions applicable to the relevant Share Classes as described elsewhere in the Sub-Fund Particulars and subject to a conversion notice period (see below in this section).

Shares will be converted at prices based on the Net Asset Value per Share calculated as of the Valuation Date.

Applications for conversion of Shares, in order to be processed on the Valuation Date, must be received by the Registrar Agent before the conversion deadline, which is 4.00 p.m. (Luxembourg time), 45 Business Days before the relevant Valuation Date.

Any applications received after the applicable deadline will be processed on the following Valuation Date.

Conversion costs of up to 0.5% of the Net Asset Value may be charged for the benefit of the Sub-Fund.

## 16. Frequency of the Net Asset Value calculation and Valuation Date

The Net Asset Value per Share will be determined monthly as of the last Business Day of each month (the "Valuation Date") and will be calculated at the latest five Business Days after the relevant Valuation Date.

For the valuation method used, please refer to the general valuation method as mentioned in the section "Net Asset Value" in the main body of the Prospectus.

## 17. Charges and expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Ongoing Charges for the Sub-Fund to a maximum of 3% of its average Net Assets over the twelve months prior period. The charges and expenses can be divided as follows:

#### **a. Management fee**

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.75% for Class “P” Shares, Class “I” Shares and Class “K-Institutional” Shares, calculated on the relevant Class’ Net Assets, accrued monthly and payable quarterly.

The Sub-Fund pays for the provision of management services, supporting services and distribution activities an annual fee of 2.50% for Class “R” Shares, Class “B” Shares, Class “K-Retail” Shares and “K-B” Shares, calculated on the relevant Class’ Net Assets, accrued monthly and payable quarterly. A maximum of 0.75% can be granted to distributors. Costs for marketing and distribution activities related to retail investors and attributable to Class “R” Shares, Class “B” Shares, Class “K-Retail” and Class “K-B” Shares will only be borne by Class “R” Shares, Class “B” Shares, Class “K-Retail” and Class “K-B” Shares and will be part of the management fee.

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.95% for Class “Z” Shares and Class “K-Z” Shares, calculated on the relevant Class’ Net Assets, accrued monthly and payable quarterly. Shareholders may be requested by their (Sub-)Distributor(s) to pay additional fees to this (Sub-)Distributor(s) in accordance with applicable laws and regulations.

#### **b. Marketing expenses**

The costs for marketing activities incurred by the AIFM related to retail investors and attributable to Class “Z” Shares and Class “K-Z” Shares will only be borne by Class “Z” Shares and Class “K-Z” Shares and may amount to maximum 0.20% (on an annual basis) of these Share Classes’ Net Assets.

#### **c. Fees of the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent**

The Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company are entitled to receive fees in accordance with usual practice in Luxembourg and payable monthly. The Sub-Fund strives to limit the fees payable to the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company up to a maximum of 0.30% per annum for their services. In addition, the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company will be entitled to fees with respect to transactions. Please refer to the latest annual report for the latest overview.

In addition, reasonable disbursements and out-of-pocket expenses incurred by such parties are charged to the Sub-Fund.

#### **d. Other expenses**

In compliance with the general part of the Prospectus:

- The 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.

The Sub-Fund strives to limit the other expenses amount to 0.20% per annum. In addition, transaction fees may be due. Please refer to the latest annual report for the latest overview.

#### **e. Formation expenses**

The total formation expenses of the Sub-Fund are amortised over a period of five years and amount to EUR 175,000.

# Sub-Fund Particulars:

## Triodos SICAV II – Triodos Organic Growth Fund.

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The information contained in these Sub-Fund Particulars must be read in conjunction with the complete text of the Prospectus of the TRIODOS SICAV II.

The TRIODOS SICAV II – Triodos Organic Growth Fund (the “Sub-Fund”) was created for an unlimited period of time.

Investors must be aware of the fact that investing in the Sub-Fund involves a high degree of risk due to the illiquid nature of the assets. Accordingly, the Sub-Fund is only suitable for investors who can afford to take such risks and to set aside the capital for a long-term investment.

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## Definitions

<b>Investee</b>	an entity or group of affiliated entities in the organic food and sustainable consumer sectors in which the Sub-Fund invests
<b>Equity</b>	ownership interest in a company
<b>Evergreen Approach</b>	investment approach that is not exit-driven, but based on the intention to hold positions long-term, without any preconceived plans to sell such position
<b>Ongoing Charges</b>	see definition in the Glossary of terms section of the General Part of the Prospectus
<b>Quasi-equity</b>	this is a type of funding that has characteristics of both debt and equity. As such, it is considered part of a company's risk-bearing capital. Examples include preferred shares and subordinated (convertible) debt. The terms quasi-equity and mezzanine financing are often interchangeable
<b>Triple P</b>	approach based on People, Planet and Profit that implies a commitment to sustainable development principles and a balanced approach to economic, environmental and social impacts, considering various stakeholder interests in business decisions as well as reporting on each of the different dimensions of this triple bottom line



## 1. Background

Organic food, fair trade and sustainable lifestyle businesses have shown strong growth over the past years. Global sustainability challenges and increased awareness have been driving fundamental shifts in consumer attitudes and behaviour as a growing number of consumers seeking to make conscious and informed purchasing decisions turn to organic food and sustainable lifestyle businesses. Today, several global sustainability issues – from peak oil and climate change to chemical residue, food safety, localism, health and nutrition – are converging and are likely to drive substantial further growth in the organic and sustainable consumer sector over the next decade.

### Values-based companies

A large number of companies in the organic food, fair trade and sustainable lifestyle sectors are values-based companies, typically founded based on an authentic commitment to the principles of Triple P: People, Planet and Profit. This implies a commitment to sustainable development principles and a balanced approach to economic, environmental and social impacts, considering various stakeholder interests in business decisions as well as reporting on each of the different dimensions of the Triple P.

Many of these companies also require capital for further development and/or have owner succession challenges. At the same time, their founders and current owners are interested in ensuring the independence and mission-aligned approach of their companies for the long-term. In line with this trend, the Sub-Fund will provide capital to such values-based companies in combination with a long-term professional ownership and Evergreen Approach. The Sub-Fund's revenues and the returns will be generated from the dividends paid-out by the Investees as well as the business value build-up realised through the growth and development of these companies.

### Track-record

Triodos Group has a longstanding experience in the organic food and agriculture sector. The organic sector is one of the core sectors that Triodos Bank N.V. has focused on since its foundation in 1980 and the bank continues to be a leading financing institution in this sector today. In addition, Triodos Group presently manages a number of funds focused on the organic food and sustainable consumer sector. In particular, as a subsidiary of Triodos Bank N.V., Triodos IM provides debt finance to organic and sustainable agriculture, production and trade through its Dutch-based Triodos Groenfonds. Through the Triodos Sustainable Trade Fund, Triodos IM is also active in value chain financing of organic and fair trade produce from

Asia, Africa and Latin America to buyers and importers in Europe. Triodos IM was the manager of Triodos Venture Capital Fund, a closed-end investment fund that held Equity positions in a number of organic and sustainable businesses. Finally, Triodos Ventures BV has invested and still is shareholder in a number of organic and sustainable businesses, helping to build value in various leading companies in this sector.

### Outlook on the sector

The organic food and sustainable consumer markets have witnessed strong growth rates over the past years, driven mainly by increased demand based on fundamental shifts in consumer attitudes and behaviour. Given the convergence of today's sustainability challenges, we believe that this is a long-term trend which is likely to continue in the future. Per capita spending on organic food and sustainable consumer products, as well as the share of these products in the overall food and consumer products market, are still comparatively low, providing room for further growth. Finally, while during more challenging economic times consumer purchasing power and rising unemployment may have negative impacts on overall consumer sentiment, in many instances demand for organic and sustainable consumer products has been relatively resilient, revealing strong consumer loyalties to a number of brands and authentic, values-based companies in this sector. Given the above trends, we expect market growth rates of the organic food and sustainable consumer segment generally to continue to be above-average when compared to traditional food and consumer segments, with some variations and exceptions for specific countries and sub-sectors.

## 2. Investment objective

The objective of the Sub-Fund is to invest primarily in mature and profitable privately-owned organic and sustainable lifestyle businesses in Europe. The investment focus will be on selected values-based businesses with a track-record of successful trading and profitability. Through an Evergreen Approach that is not driven by exits, the Sub-Fund will invest as an aligned co-owner, take advantage of specific owner succession possibilities, and provide long-term capital to allow Investees to pursue specific market and growth opportunities. As a long-term investment partner, the Sub-Fund will typically take significant minority or majority Equity positions, be represented at the board of directors of Investees and add value through a strategic, professional ownership approach.

The Sub-Fund aims to manage a diversified portfolio of mainly private Equity investments in profitable companies active in different sub-sectors and parts of the organic

and sustainable consumer products value chain, and across different European Union and EFTA countries, of which the majority will be Western European countries. A limited number of investments, up to 10% of the total assets of the Sub-Fund, may be made in non-European countries. For liquidity management purposes the Sub-Fund aims to retain 10% of its assets in cash or equivalents to cash.

For investors, the Sub-Fund will provide a unique investment opportunity in the organic and sustainable consumer sector, with the prospect of a balanced financial return combined with the opportunity to make a pro-active, measurable and lasting contribution to the long-term development of independent, values-based companies in this sector.

### 3. Vision

All activities of the Sub-Fund will be strongly aligned with Triodos Group's mission to allow money to work for positive social, environmental and cultural change. This approach encompasses a stable balance between People, Planet and Profit and implies that the Sub-Fund will only invest in businesses that benefit people and the environment.

Organic and sustainable companies are at the forefront of providing consumers with products and services that enable them to lead a healthier and more sustainable lifestyle. Through adequate information about the environmental and social aspects of these products, these companies offer increased transparency and improved traceability throughout the supply chain, thereby allowing consumers to make more informed choices in their purchasing decisions. By contributing to an increase in the market share of organic, fair trade and other sustainable consumer products, these companies are linked directly to the numerous positive environmental impacts of organic agriculture as well as the social and economic benefits to many actors in the sustainable value chain.

In the context of a strongly growing market, many of the pioneering companies in this sector have grown and matured into sector leaders. As these companies encounter growth opportunities or face owner succession issues, the Sub-Fund aims to respond to their particular need for a long-term oriented and mission-aligned investment partner that can provide capital and add value to the further development of the Investees' businesses within the context of their mission-based Triple P approach.

### 4. Investment policy

The AIFM will seize market opportunities due to the strong growth of the organic and sustainable consumer sector and the increasing attention to, and need for, long-term capital in values-based businesses active in this sector. Owners of a number of independent, mission-driven organic and sustainable lifestyle businesses have indicated that they would value a long-term oriented, mission-aligned investor such as the Sub-Fund as well as a professional partner who shares their belief that an authentic commitment to Triple P business principles will have the greatest probability of yielding social, environmental and economic value.

#### Type of Investments

The Sub-Fund will make mainly Equity investments in the organic food and sustainable consumer sector, including companies active throughout the value chain in the following sub-sectors: organic and fair trade food & beverages, natural personal care and medicines, natural textiles and other sustainable lifestyle companies. The Sub-Fund can also provide Quasi-equity.

Target Investees primarily include:

- organic and fair trade ingredient, trading and wholesale companies
- producers or distributors of branded organic and fair trade food & beverages
- producers or distributors of natural personal care and natural medical products
- producers or distributors of natural textile products, environmentally friendly household products or other sustainable lifestyle products
- retailers of organic, fair trade and sustainable lifestyle products, including online retailing

#### Targeted countries; geographic focus

The Sub-Fund's focus is on European Union and EFTA countries, in particular in countries where the Triodos Group maintains a presence or has a network of business partners and regularly conducts business. The AIFM may also, after due consideration, source a limited number of investments in non-European countries, within the Investment Restrictions set-out below.

#### Diversification

The Sub-Fund portfolio will be diversified across various countries and across the supply chain by striving for a mix of investments in producers, retailers and wholesalers from the organic food & beverages, natural personal care and medicine and sustainable textiles sectors, as well as other sustainable lifestyle companies, within the Investment Restrictions set-out below.

### Deal-flow: identification of Investees

Due to its long-standing experience, sector-knowledge and extensive network, the AIFM is in a privileged position to identify potential Investees. These will be identified through the AIFM's existing network of contacts, as well as from broad sector-based research. They will be assessed and selected based on a number of criteria in line with the Sub-Fund's investment objective. These criteria include, amongst others:

- Profitability, positive cash flow and solid balance sheet
- Minimum annual revenues generally above EUR 10 million
- Equity value typically between EUR 2.5 and EUR 30 million.
- Experience and qualifications of management team
- Competitive product positioning
- Stable growth prospects with appropriate operating margins
- Attractive and fair valuations
- Authentic commitment to Triple P business principles

### Added-value: Professional ownership

The Sub-Fund seeks to add value by acting as a long-term investment partner employing a professional ownership approach focused on business strategy and appropriate capital allocation and assisting management in identifying efficiencies and realizing growth opportunities while maintaining a balanced Triple P approach.

In particular, the AIFM may provide added-value by bringing to bear its extended network of professional advisors and contacts, and by assisting Investees in the following areas:

- International market and sector insights
- Corporate Governance
- Business strategy and medium-term planning
- Financial planning and legal management
- Marketing and brand development
- Operational efficiency
- Human resources and compensation
- Best practice Triple P approaches and appropriate business models

In order to effectively contribute as a professional co-owner to the development of Investees and to protect the interests of the Shareholders, the AIFM will seek to secure appropriate shareholder rights as well as adequate representation on the board of directors of Investees.

### Advisory Board

The AIFM may seek the advice of an advisory board. The advisory board ("Advisory Board") will consist of natural persons with thorough knowledge and experience in the

field of organic food and the sustainable consumer sector. At the request of the AIFM, the Advisory Board may provide the AIFM with recommendations and advice with regard to the investment policy of the Sub-Fund as described above. The AIFM may or may not follow the advice provided by the Advisory Board, at its own discretion. At the discretion of the AIFM the members of the advisory committee may be selected from the shareholders of the Sub-Fund.

### Environmental and social impacts

In line with the mission of the Triodos Group the Sub-Fund aims to deliver, through its investments, positive social and environmental impact by contributing to the long-term development of independent, values-based companies that support a transition to a more sustainable lifestyle. Positive impact generated by Investees may range from the ecological and health benefits of organic and locally-produced agricultural products to the tangible social and economic benefits of employment for local small-scale producers and other actors in the sustainable value chain, amongst others.

The Sub-Fund will establish and report on social and environmental impact metrics in line with leading international impact reporting standards.

### Financing instruments

The Sub-Fund will invest in qualifying companies, typically taking significant minority or majority Equity positions. The Sub-Fund may also invest in Quasi-equity financing instruments, such as subordinated and convertible debt or preferred capital, in qualifying investments.

The Sub-Fund will mainly invest in non-listed securities and investment instruments other than Transferable Securities. However, the Sub-Fund may also, on an ancillary basis, invest in companies listed on any stock exchange.

The typical assumed Sub-Fund investment amount per company will have a minimum of EUR 1 million up to a maximum amount of 20% of the total assets of the Sub-Fund.

In the interest of the Shareholders and for purposes of tax- and subsidy efficient management, the Sub-Fund may decide to invest by interposing one or more holding companies between the Sub-Fund and its investments in compliance with the following applicable Luxembourg regulatory requirements:

- the Sub-Fund shall hold such holding company's entire capital;
- the sole purpose of such holding company shall be to directly or indirectly own assets acquired for the

purpose of implementing the investment objectives of the Sub-Fund;

- the holding company shall comply with the investment restrictions of the Sub-Fund;
- the securities of the holding company shall be issued in registered form only;
- the majority of managers of the holding company shall be chosen amongst the directors of the Company;
- the auditors of the accounts of the holding company shall be of the same group as the Auditor;
- the financial year-end of the holding company shall be on the same date as the financial year-end of the Company;
- the Company's semi-annual and annual accounts shall include a list of final investments made through such holding company/companies;
- the Depositary shall be in a position to look through the holding company to carry out its safekeeping duties.

In line with the above, Triodos OGF LuxCo S.à r.l, an intermediate holding company and wholly-owned subsidiary of Triodos SICAV II, was incorporated under Luxembourg law on 13 June 2014. Triodos OGF LuxCo S.à r.l. acts as a holding company for a selection of investments by the Sub-Fund.

The investments of the Sub-Fund will be mainly made in Euro. However, investments in non-Euro currencies can be made. Investments in non-Euro currencies may be hedged against the Euro, where possible and deemed appropriate.

## 5. Valuation

For the valuation method used, please refer to the general valuation method as mentioned in the section "Net Asset Value" in the main body of the Prospectus. Especially the method for valuation of private Equity investments as described under sub a and the method for valuation of all other securities and assets as described under sub i.

With regard to the valuation of the Sub-Fund's investments, the Sub-Fund depends on information to be provided by the respective Investees on a regular basis. The Net Asset Value of the Sub-Fund will be based on the most recent financial statements of the individual Investees available to the Company before or at the relevant date on which the Net Asset Value is calculated. The majority of these periodical financial statements will be unaudited and may lag one to three months with respect to the Valuation Date of the Net Asset Value of the Sub-Fund. In the event that other valuation methods are more appropriate these methods may be applied in accordance with the method for valuation of private Equity investments as mentioned in the section "Net Asset Value" in the main body of the Prospectus.

## 6. Investment Restrictions

(see also "Risk Factors")

### Risk diversification

The Sub-Fund may:

- invest up to 100% of its total assets in securities not listed on a stock exchange nor dealt on a Regulated Market;
- invest up to 20% of its total assets in securities and financing instruments issued by the same Investee;
- acquire up to 100% of the securities and the financing instruments issued by the same Investee;
- invest up to 10% of its total assets in Investees based in non-European countries;
- invest up to 40% of its total assets in one country, with the exception of Germany, where the Sub-Fund may invest up to 50% of its total assets;
- invest up to 50% of its total assets in non-hedged non-Euro denominated investments;
- not invest any of its total assets in other UCIs.

### Provisional derogations from investment restrictions

In order to allow for the build-up of the investment portfolio, during the first 24 months following the launch date of the Sub-Fund, the AIFM may, at its discretion, deviate from the above mentioned investment restrictions pertaining to the maximum percentage of the total assets of the Sub-Fund that may be invested in securities and financing instruments issued by the same Investee and the maximum percentage of the total assets of the Sub-Fund in non-hedged non-Euro denominated investments.

### Borrowing – Leverage

The Sub-Fund may borrow up to 10% of its Net Assets for short-term liquidity requirements.

In addition, the Sub-Fund may temporarily borrow up to 10% of its Net Assets to finance new investments.

Within this limit, the Sub-Fund will borrow money from reputable financial institutions.

In implementing its investment policy the Sub-Fund will generally not make use of leverage. The Sub-Fund can only use leverage in the situations described above when borrowing money. The Sub-Fund's leverage will be expected at a maximum of 120% using the commitment method of calculation and 60% using the gross method of calculation.

### Techniques and instruments

The Sub-Fund shall not invest in other instruments, other than currency hedging instruments, debt swaps or similar agreements, designed to manage risk associated with currency risk, and similar risk management derivatives, within the limits set forth in Appendix A.

### Securities Lending

The Sub-Fund shall not enter into securities lending transactions.

## 7. Risk factors

Investors should regard investment in the Sub-Fund as a long-term investment which is subject to a high degree of risk.

This section describes the main risks of the Sub-Fund, as identified in Strategic Risk Assessments, in order of importance; however, other risks may exist.

### Investees & market risks

#### Investee returns

The return on the underlying investments may be generated or become available for the Sub-Fund after a number of years only, through dividend distributions from Investees, the build-up of business value, or, in certain cases, through the partial or total sale of those investments. In case of adverse business developments, dividend distributions provided by particular Investees and available for distribution to investors by the Sub-Fund may be negatively affected, as may be the valuation of underlying investments. In case of a major default or bankruptcy by the Investee the (expected) return may never be generated at all. No assurance can, therefore, be given that the Sub-Fund's investment objective will be achieved.

#### Lack of appropriate investment opportunities

The returns of the Sub-Fund will depend on the availability of appropriate investment opportunities, and the ability of the AIFM to successfully negotiate investments in qualifying companies. In the event that there are insufficient qualifying companies to invest in, the overall return would suffer as a result of the Sub-Fund holding a relatively high proportion of cash. Through a good understanding of the growing organic and sustainable consumer market, an attractive long-term professional ownership proposition for values-based companies, excellent industry-wide relationships and its European-wide focus, the AIFM expects to be able to secure a sufficient number of quality investments to mitigate this risk.

### Investee management

The character of the underlying investments will usually be that of privately held companies with profitable operating margins, positive cash flow and an experienced management team. The continued profitability and further growth of these Investees will to a large extent depend on the ability of their management to make sound strategic business decisions. The AIFM, on behalf of the Sub-Fund, will engage with co-owners and management to ensure that Investees implement the most appropriate strategies for successful long-term sustainable business development and performance. However, there can be no guarantee that such business performance will be achieved in all Investee cases.

### Organic and sustainable consumer market developments

The performance of Investee will also depend on the development of the organic food and sustainable consumer market in general, and relevant sub-sectors in particular. If this market, or relevant sub-sectors experience a downturn, this will likely have a negative impact on the performance of particular Investee and therefore on the returns of the Sub-Fund. Such market conditions may result in certain circumstances in which Shareholders could face minimal or no returns, or may even suffer a loss on their investments.

### Capital market developments

The profitability of Investees partly depends on the developments in the capital markets. Developments in both debt and Equity markets may impact on the ability of Investees to obtain debt financing or raise capital through share offerings. This may in turn impact the returns available for the Sub-Fund.

### Follow-on investments

The Sub-Fund may have the opportunity or be requested to increase its investment in a particular Investee. In case the Sub-Fund undertakes such follow-on investments, it may significantly increase its exposure to a particular Investee. In case it does not undertake such follow-on investments, this may have a negative impact on the returns of a particular Investee, or may lead to a dilution of the value of the Sub-Fund's investment.

### Minority investments

The Sub-Fund may take non-controlling minority Equity positions in Investees. In order to protect the interests of the Sub-Fund, the AIFM will seek to be represented on the board of directors or to conclude shareholders' agreements with other shareholders of the Investees. However, it may not always be possible to fully protect the Sub-Fund's interests in such minority investments.

### Growth of assets

The Sub-Fund aims to attract further investors and grow the assets under management after its initial launch. In case the Sub-Fund realises slower growth in assets under



management than anticipated, this may have a negative impact on its operations and the ability of the AIFM to efficiently manage investments. In addition, insufficient access to new funding from investors in the Sub-Fund may keep the Sub-Fund from competitive bidding and therefore negatively impact the availability of appropriate investment opportunities.

#### **Risk-bearing, unsecured assets**

The Sub-Fund invests almost exclusively in risk-bearing assets, that are usually unsecured and that do not offer collateral.

#### **Liquidity risk**

The Sub-Fund invests almost exclusively in assets not listed on any stock exchange, or assets not traded on a Regulated Market. The investments, and subsequently the shares of the Sub-Fund therefore are relatively illiquid. Moreover, the policy of the Sub-Fund is to invest long-term without determining any preconceived plans to sell such a position.

The Sub-Fund aims to retain 10% of its assets in cash or equivalents to cash. However, there is no guarantee that there are sufficient funds to pay for the redemption of Shares of the Sub-Fund and there is no guarantee that the redemption can take place at the requested date. Investors should be aware that any request for redemption of Shares in the Sub-Fund within the first three years after the initial launch period may be denied or postponed.

#### **Valuation risk**

As the Sub-Fund invests almost exclusively in assets not listed on any stock exchange, or assets not traded on a Regulated Market, its investments may not have readily available prices and may be difficult to value. In order to determine the value of these investments, the Sub-Fund will employ a consistent, transparent and appropriate evaluation methodology, based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV), as published by the IPEV Board and endorsed by the European Private Equity and Venture Capital Association (EVCA). To the extent that this methodology relies on periodic market-based data and peer group comparisons, the valuation of the Sub-Fund assets may fluctuate with the variations in such data. In addition, there is no guarantee that the valuations applied at the time of investment will allow for the build-up of business value or be able to provide returns to investors.

#### **Concentration risk**

The Sub-Fund has a very specific, sector-based investment focus concentrated on the organic food and sustainable consumer sector. The Sub-fund will achieve

only limited diversification of the typical risks of this sector. In particular, the Sub-Fund will invest only in a limited number of Investees and achieve only limited diversification across countries, sub-sectors and value chain segments. Consequently, the Sub-fund return may be negatively impacted by the performance of any particular Investee, country, sub-sector or value chain segment within the overall organic and sustainable consumer market.

#### **Organisational risks**

##### **Loss of key personnel**

Loss of key personnel, especially with the AIFM, could have an adverse effect on the Sub-Fund's ability to maintain its investment plans and strategy. However, in addition to dedicated personnel, the AIFM and other employees within Triodos Group have a number of experienced finance and sector professionals who are able to support the core team.

##### **Conflicts of interest**

Different Triodos Group related entities (including other funds managed by the AIFM or affiliates) may be involved as senior debt and/or Equity providers to the Investees of the Sub-Fund. This could create a conflict of interest, in particular, if in default situations, the Sub-Fund's interest would deviate from the interest of other Triodos Group entities or entities managed by the AIFM. The AIFM has a policy in place on confidential information and conflicts of interest, which sets out measures to ensure that confidential information is properly dealt with and that any potential conflicts of interest are reported and managed.

##### **Currency risks**

The Sub-Fund is a Euro denominated fund. Since investments will be mainly in Euro and in Euro-zone countries with the Euro currency, currency exchange risks in those cases are non-existent. The Sub-Fund may also invest in European countries which do not use the Euro as their currency, and, to a limited extent, in non-European countries. In such case, a currency risk may occur. The Sub-Fund may take measures to hedge such currency risk, where possible and feasible to reduce such risks.

##### **Inflation Risk**

Inflation risk refers to the possibility that the value of assets or income will decrease as inflation shrinks the purchasing power of a currency.

##### **Counterparty Risk**

Counterparty Risk refers to the risk that a sub-fund's counterparty cannot live up to the contractual obligations as agreed upon between the sub-fund and the

counterparty. Counterparty risk can arise from derivatives positions, bank deposits and investments in money market funds. By only allowing counterparties with a high credit rating as eligible counterparties for transactions regarding money market funds, derivatives and deposits, the counterparty risk is mitigated.

### Political & regulatory risks

Political circumstances can influence the stability of the regulatory framework for businesses generally and hence the results of the Sub-Fund. Given the investment focus of the Sub-Fund, the value of its investments may also be affected by uncertainties with regard to the evolution of regulations and standards applicable to the food and consumer goods sectors in general, as well as the organic and sustainable consumer sectors in particular.

Unforeseen abrupt changes of domestic and international policy are also possible with regard to legal and tax legislation or regulation, the governments' fiscal and monetary stance, currency repatriation and other economic regulations, including expropriation, nationalisation, or confiscation of assets or changes in legislation regarding the permissible share of foreign ownership of companies or assets or any other matter that may impact the Sub-Fund and or its investments. In particular, such policy, legislative and regulatory changes may also occur in individual European countries, have an impact on the stability of the common Euro currency and potentially lead to changes in the membership of Euro-zone countries.

## 8. Classes of Shares

The Sub-Fund may offer Shares of the following Classes:

Euro-denominated Class "Q" Shares Distribution  
(ISIN Code: LU0940010480),

Euro-denominated Class "P" Shares Capitalisation  
(ISIN Code: not available),

Class "Q" Shares are open to Institutional Investors, professional investors and certain qualified private investors, such as clients of private banks and/or high net worth individuals, depending on their country of residence.

Class "P" Shares are open to entities of Triodos Group.

Class "P" Shares give the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the Company out of which a majority of the Board of Directors of the Company must be appointed.

Shares are issued in registered form.

## 9. Distribution policy

### Distribution Shares

For the Distribution type Classes of Shares dividends will be distributed upon the decision of the Board of Directors.

It is the Company's intention to distribute dividends concerning the Distribution type Classes of Shares, i.e. at least one annual distribution no later than twelve months after the end of the financial year to which such dividends relate.

The Board of Directors may decide to distribute stock dividends in lieu of cash dividends to Shareholders in the Distribution type Classes of Shares upon prior written request by the relevant Shareholder.

Shareholders who elect to receive stock dividends in lieu of cash shall receive such number of Shares of such Class on the day of the payment of the dividends in cash, equivalent to the amount of cash they would otherwise have received, on the basis of the Net Asset Value calculated on the Valuation Date on which such dividend is distributed.

### Capitalisation Shares

For the Capitalisation type Classes of Shares no dividends are distributed. The net realised income in these Classes of Shares is reinvested.

## 10. Taxation

The Company is as a rule liable in Luxembourg to an annual subscription tax (taxe d'abonnement) of currently 0.05% per annum. The taxable basis of the subscription tax is the aggregate net assets of the Company as valued on the last day of each quarter. Accordingly, the Class "Q" Shares are subject to the annual subscription tax at the rate of currently 0.05%. Individual classes of securities issued within the Sub-Fund of the Company that are reserved to one or more Institutional Investors are however subject to the annual subscription tax at the reduced rate of currently 0.01%. The Class "P" Shares are restricted to Institutional Investors exclusively and therefore are subject to the annual subscription tax at the rate of 0.01%.

## 11. Typical investor

The typical investor of the Sub-Fund is looking for an alternative, long-term and sustainable investment profile that benefits from the growing demand for organic food, fair trade and sustainable lifestyle products mainly throughout Europe.



The Sub-Fund's financial means will be invested in, and exposed to the organic food and sustainable consumer market, mainly in Europe. All investors should therefore accept exposure to trends in this market. The Sub-Fund is designed to achieve long-term, steady capital growth. The Sub-Fund is therefore intended for investors without an immediate need for redemption of their investments and who can handle the risk of losing (part of) their investment.

## 12. Listing on a Stock Exchange

The Shares of the Sub-Fund are currently not listed on a stock exchange. The Board of Directors reserves the right to list them in the future. In such event, the Sub-Fund Particulars will be amended accordingly.

## 13. Reference Currency

The Reference Currency of the Sub-Fund is the Euro.

## 14. Subscriptions

### Subscription after the Initial Offering Period of Shares

Shares may be subscribed on each Valuation Date as such date is defined hereafter under section 17.

The Board of Directors may determine to call an additional Valuation Date, in which case the Registrar Agent will notify any investors who have submitted subscription instructions for the next normal Valuation Date and offer such investors the option of having their subscription processed on the additional Valuation Date.

Shares will be issued at a price based on the Net Asset Value per Share calculated as of the Valuation Date.

Applications for Shares received by the Registrar Agent on the 15th Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time) will, if accepted, be processed on that Valuation Date.

Any applications received after the applicable deadline on the 15th Business Day preceding the Valuation Date will be processed on the following Valuation Date.

Payment for Shares subscribed must be (irrevocably) received on the Sub-Fund's bank account by the

Depository no later than ten Business Days after the relevant Valuation Date. In the event of a late payment, the investor may be charged with an interest.

### Subscription requirements and charges

A subscription charge of up to a maximum of 3% may be charged by (selling) agents for their own benefit, for Class "Q" Shares.

The table below shows the minimum holding requirements, the minimum initial requirements and the subsequent investment requirements for each Class of Shares.

The Board of Directors, at its discretion, may accept subscriptions of other amounts or establish different holding requirements in the future for all mentioned Classes of Shares.

## 15. Redemptions

As mentioned in the first section of this Sub-Fund Particulars "Background", the Sub-Fund aims to provide Equity and Quasi-equity to Investees in the organic and consumer business sector. Such assets are less liquid than listed and other easily Transferable Securities. In order to support these types of investments in the long run, all investors are invited to invest in the Sub-Fund, while keeping in mind the long term horizon of the underlying investments. All the parties involved will benefit from such an approach.

The Sub-Fund is semi open-ended, i.e. Shares may be redeemed in principle once a quarter on the Valuation Date, subject to a redemption notice period (see below in this section) and subject to available liquidity.

The Company is entitled to suspend the execution of the redemption applications received, in accordance with sections "Redemption of Shares" and "Net Asset Value" in the main body of the Prospectus.

However until the third anniversary of the Initial Valuation Date the following deviation of the rules will apply. In order for the Sub-Fund to be economically viable Class "Q" Shares may be redeemed on a Valuation Date only (i) after the third anniversary of the Initial Valuation Date or (ii) before the third anniversary of the Initial Valuation Date, when (an)other investor(s) subscribe(s) for (in total) at

	Minimum holding requirement	Minimum initial requirement	Subsequent investment requirement
Class "P" Shares Capitalisation	No minimum	No minimum	No minimum
Class "Q" Shares Distribution	EUR 250,000	EUR 250,000	No minimum

least an amount of Shares of the Sub-Fund equal to the amount of Shares the redemption of which has been asked, provided that in the latter case such restriction should not apply when the redemptions does not cause the Net Asset Value of the Sub-Fund to fall below EUR 30 million.

Shares will be redeemed at a price based on the Net Asset Value per Share calculated as of the Valuation Date.

Applications for redemptions of Class “Q” Shares and Class “P” Shares, in order to be processed on the Valuation Date, must be received by the Registrar Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), 45 Business Days before the relevant Valuation Date.

Applications for redemptions of Shares will be processed in order of receipt.

Any applications received after the applicable deadline will be processed on the following Valuation Date.

Payment for Shares redeemed will in principle be effected no later than ten Business Days after the relevant Valuation Date, as determined below. Redeemed Shares will not be paid, pending the receipt of (i) documents required by the Registrar and Transfer Agent for the purposes of compliance with applicable laws and regulations, and/or (ii) documents required by the Registrar and Transfer Agent for the purposes of compliance with tax legislation which might be applicable because of the country of citizenship, residence or domicile of the relevant Shareholder, and/or (iii) its bank details in original written format (if not previously supplied). In such an event, the investor may be charged with an interest.

Redemption costs of up to 0.5% of the Net Asset Value in respect of “Q” Shares may be charged for the benefit of the Sub-Fund as determined by the Board of Directors.

## 16. Conversions

Shares of one Class of Shares of this Sub-Fund may be converted into Shares of another Class of Shares of this Sub-Fund in principle as per each Valuation Date, subject to restrictions as to the terms and conditions applicable to the relevant Share Classes as described elsewhere in the Sub-Fund Particulars and subject to a conversion notice period (see below in this section).

Shares will be converted at prices based on the Net Asset Value per Share calculated as per the Valuation Date.

Applications for conversion of Shares, in order to be processed as per the Valuation Date, must be received by the Registrar Agent before the conversion deadline, which

is 4.00 p.m. (Luxembourg time), 45 Business Days before the relevant Valuation Date.

Any applications received after the applicable deadline will be processed on the following Valuation Date.

Conversion costs of up to 0.5% of the Net Asset Value may be charged for the benefit of the Sub-Fund.

## 17. Frequency of the Net Asset Value calculation and Valuation Date

The Net Asset Value per Share will be determined quarterly, as of the last Business Day of each calendar quarter (the “Valuation Date”) and will be calculated at the latest five Business Days after the relevant Valuation Date.

## 18. Charges and Expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Ongoing Charges for the Sub-Fund to a maximum of 3.5% of its average Net Assets over the twelve months prior period.

The charges and expenses can be divided as follows:

### a. Management Fee

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 2.00% for Class “Q” Shares and Class “P” Shares, calculated on the relevant Class’ Net Assets, accrued and payable quarterly.

### b. Fees of the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

The Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company are entitled to receive fees in accordance with usual practice in Luxembourg and payable quarterly. The Sub Fund strives to limit the payable fees to the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company up to a maximum of 0.90% for their services. In addition, the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company will be entitled to fees with respect to transactions. Please refer to the latest annual report for the latest overview.

In addition, reasonable disbursements and out-of-pocket expenses incurred by such parties are charged to the Sub-Fund.

### c. Other expenses

The Sub-Fund shall pay for the general costs and expenses directly attributable to the Advisory Board and the investment committee of the AIFM.

In compliance with the general part of the Prospectus:

- The 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.

The Sub Fund strives to limit the other expenses amount to 0.60% per annum. In addition, transaction fees may be due. Please refer to the latest annual report for the latest overview.

### d. Marketing expenses

The costs for marketing activities may amount to maximum 0.20% (on an annual basis) of the Net Assets of the Sub-Fund.

### e. Formation expenses

The total formation expenses of the Sub-Fund will not exceed the EUR 350,000 and are pre-financed by the AIFM. These expenses will be (re)charged to the Sub-Fund after the Initial Valuation Date and will be amortised over a maximum period of five years on a non-linear basis. In the event that the Net Asset Value of the Sub-Fund will increase more rapid than foreseen, the depreciation period will be shortened pro-rata.