

Newsletter

MARCH 2012

Triodos Sustainable Bond Fund

Key figures fund

As per 31 March 2012

Inception date

16 July 2007

Total Net assets

EUR 158.4 million

Total Number of shares outstanding

5,288,574

Net asset value

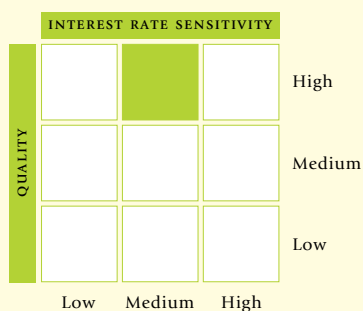
EUR 30.69 (class R-cap)

Total Expense Ratio (2011)

1.20% (incl. management fee 1.0%)

Morningstar rating™ ★★★★★

Morningstar style box™



Triodos Sustainable Bond Fund invests in bonds issued by listed companies and semi-public institutions and governments. Triodos Sustainable Bond Fund's portfolio is diversified across countries, sectors and companies. On average 40% of the portfolio is invested in government bonds and 60% in corporate bonds. In addition to the usual risk/return analysis, the sustainability performance of these companies is comprehensively assessed. The Triodos Sustainability Research team is responsible for the assessment of sustainability criteria, and for the research process that defines our investment universe, based on social and environmental criteria. Delta Lloyd Asset Management is responsible for selecting investments for this fund, within the binding guidelines of our sustainable investment universe.

Recent developments

In March, Triodos Sustainable Bond Fund generated a return of 0.4% based on its Net Asset Value. During March, the total assets of Triodos Sustainable Bond Fund increased to EUR 158.4 million. The duration of the fund at the end of March is 4.9. This means that the NAV of the fund will increase by about 4.9% if the financial market rate decreases 1%.

Due to the EUR 529.5 billion LTRO II – Long Term Refinancing Operation – launched at the end of February of this year the European bond markets staged an excellent performance in March. The positive sentiment was also boosted by the fact that the vast majority of private creditors agreed to a write-down on their holdings in Greek debt. This cleared the way for EUR 130 billion in additional support from the European Union. As part of Greece's sovereign debt is written down it should become easier for Greece to achieve a permanent reduction of its debt burden. In reaction to the positive sentiment many European companies decided to issue bonds on the capital market. Given the structural shortage of and strong demand for new bond issues many companies were able to keep coupons low. At the end of March the financial markets began to focus on the Netherlands. This was due to the size of the country's budget deficit and the sluggishness of the political process aimed at reducing this deficit. If the Netherlands is to retain its AAA status, additional retrenchments and structural reforms will be required.

As in previous months, some of the cash available was invested in Austrian government bonds, which currently offer higher yields than German or Dutch government bonds and are also extremely liquid. Some adjustments were made to the existing corporate bonds holdings. The fund extended the duration of its holding in Nationwide by rolling over a shorter term position into a position with a slightly longer maturity, resulting in a slightly higher yield. Also, a new longer-term holding in DnB Nor, a large Norwegian financial institution, was added.

Outlook

The European debt crisis has been going on for around two years now. During these two years the European Central Bank, financial experts and politicians have come up with many so-called solutions, but the fact remains that the Euro zone is still looking for the ultimate solution. The European paradox can be described as follows: on the one hand governments need to rationalize their debts while on the

ISIN code

LU0278272769 (class R-dis)
 LU0278272504 (class R-cap)
 LU0309381605 (class I-cap)
 LU0309381860 (class I-dis)

Bloomberg code

TRVBFRD LX (class R-dis)
 TRVBFCR LX (class R-cap)
 TRVBFIC LX (class I-cap)
 TRVBFID LX (class I-dis)

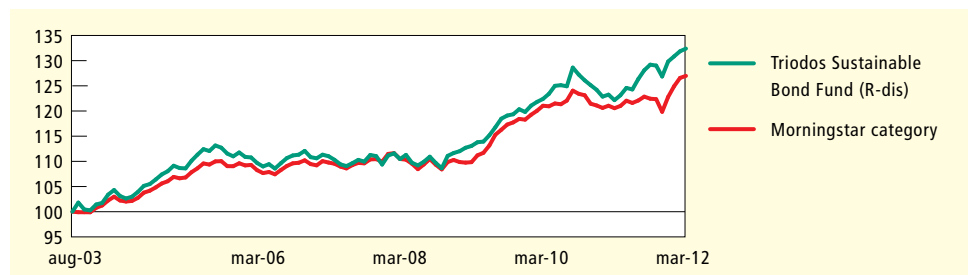
other hand they need to boost the economy in order to avoid sinking even deeper into a recession. Banks on the one hand need to lend more to the corporate sector, while on the other hand the Basel III regulations require them to boost their reserves and strengthen their balance sheets. In these uncertain markets the fund remains selective with regard to its current and future portfolio positions.

	1 month	3 months	YTD	1 year average	3 year average
Return based on NAV (including reinvestment of dividends, including costs)	0.4	2.0	2.0	8.4	5.4
Morningstar category (EUR Diversified Bond)	0.3	3.4	3.4	5.4	4.7

Source: vwd group and Morningstar

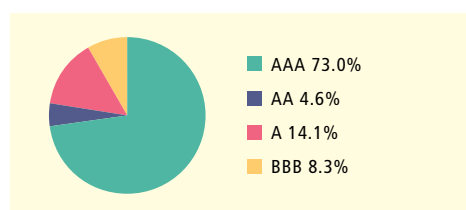
In the return tables and graphs of the annual and interim reports the return of the sub fund is compared with that of the benchmark and the reference index of the sub fund. You can find these on www.triodos.com. It is also possible to compare the returns of the sub fund with those of other investment institutions that invest in similar non-sustainable asset categories. In the latter case the return of the sub fund is compared with that of Morningstar category in which the sub fund is included. This category is compiled independently by Morningstar and includes a large group of investment institutions. The returns within this category are calculated on the basis of the net asset value of a stock including reinvested dividends.

Performance chart, 31 March 2012



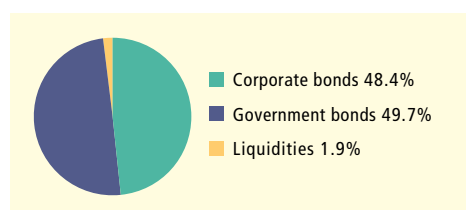
Source: vwd group and Morningstar

Breakdown by risk category, 31 March 2012*

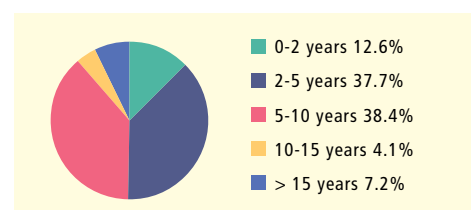


Source: RBC Dexia

Breakdown by investments
31 March 2012*



Breakdown by duration
31 March 2012*



* Source: RBC Dexia

Top 5 Corporate holdings, 31 March 2012*

	Name	%
1	2.250% Compagnie de Financement Foncier 2012 - 2015	3.3
2	4.375% Rabobank NV 2006 - 2021	2.8
3	3.625% UBI Banca SCRL 2009 - 2016	2.5
4	4.875% Svenska Handelsbanken 2009 - 2014	2.3
5	4.674% Telefonica 2007 - 2014	2.3

Top 5 Government holdings, 31 March 2012*

	Name	%
1	4.000% Austrian Government bond 2006 - 2016	4.1
2	4.300% Austrian Government bond 2003 - 2014	3.9
3	4.850% Austrian Government bond 2003 - 2026	3.9
4	3.900% Austrian Government bond 2004 - 2020	2.8
5	3.250% Dutch Government bond 2011 - 2021	2.7

* Source: RBC Dexia

Developments sustainable investment universe

Conflict-free Coltan

Various consumer products such as mobile phones, DVD players and computers include a component made from columbite-tantalite, commonly known as Coltan. But sourcing of the mineral can often be a contributor to human rights violations and cause detrimental environmental impacts.

Conflict minerals

Coltan, as well as other minerals such as tin, tungsten and gold, are often sourced from The Democratic Republic of Congo (DRC). Revenues from the mining of Coltan and other so-called conflict minerals in the DRC, have been used to fuel an extremely violent civil conflict there. The ongoing conflict, mainly located in the eastern part of the country, began in the late 1990's and has claimed millions of lives. Although mining may be essential for the DRC's economy, some mines are controlled by militant groups that are responsible for serious human rights abuses, cause violence over control and taxation of mineral resources, oversee child and forced labour, as well as deforestation.

What's being done about it

Following the increasing public attention in the last decade, some electronics manufacturers stopped sourcing Coltan or products containing Coltan from the DRC.

Various new regulations have been introduced. One such example is in the United States, which requires all companies listed on stock-exchanges in the US to report on the use of conflict minerals from the DRC and neighbouring conflict regions. The new regulation has resulted in a de facto boycott of the region, but also in increased poverty and it has not ended the conflict.

Electronic industry representatives, such as the Electronic Industry Citizen Coalition (EICC) in collaboration with the Global e-Sustainability Initiatives (GeSI), have accelerated a joint development of the Conflict-Free Smelter Program (CFS). This programme has an independent third party evaluate a smelter's procurement activities to determine if materials originated from conflict-free sources. Local non-governmental organisations, civil society, governments as well as industry representatives have welcomed the programme.

Triodos Sustainable Bond Fund

This newsletter is for information purposes only and is intended for international distribution outside The Netherlands. Triodos Sustainable Bond Fund is a sub-fund of Triodos SICAV-I, which is established in Luxembourg. Triodos SICAV-I and its sub-funds are supervised by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier (CSSF). The value of Triodos Sustainable Bond Fund is determined in part by the developments on the financial markets or other markets. Please refer to the prospectus for further information about the expenses and risks that apply specifically to this fund. Avoid unnecessary risks. Please read the simplified prospectus. The prospectus and simplified prospectus for Triodos SICAV-I, which includes information about Triodos Sustainable Bond Fund (in English) may be obtained from Triodos Bank in Zeist, telephone +31 (0)30 693 65 11 or via www.triodos.com.

What Triodos thinks

Triodos acknowledges the CFS as a serious and broadly supported programme that will help companies to source conflict-free minerals. It is considered current best practice with regard to conflict minerals. Although it is still in its infancy, the CFS provides a level playing field for different stakeholders to tackle the problem in a constructive way. Triodos is closely following the initiative and anticipates that it will evolve because it is not yet a waterproof guarantee for conflict free minerals due to smuggling out of the Eastern DRC and the Great Lakes Region (GLR).

Companies that ban conflict minerals from their supply chain by using the results of the CFS programme or that totally ban sourcing from the DRC or GLR meet Triodos requirements on this issue as they improve traceability of minerals and ensure that raw materials used are not contributing to the conflict.

Industry leaders, such as Nokia and STMicroelectronics that were all part of the CFS process from the beginning are selected for inclusion in the Triodos Sustainable Investment Universe.

The sustainable investment universe is published on a bi-monthly basis. At the end of March 2012 the investment universe for the Triodos Sustainable Funds included 359 companies.

Active share ownership

As a responsible shareholder, the fund votes at the shareholder meetings for all companies included in its sustainable investment funds. Proxy ballots are usually proposals from company management on issues of corporate governance, such as strategy, auditing, board composition and executive compensation. In the process, the fund aims to be fully transparent. First, the fund votes according to our proxy voting guidelines, published on our website and updated yearly. Second, we send voting reports to all companies, explaining our actual voting behaviour. Third, all voting ballots are published on our website. In addition to being a responsible shareholder, the fund uses proxy voting to influence company behaviour, improving their environmental, social and governance performance.

Voting behaviour	March 2012	Total for 2012	Split
Number of shareholder meetings at which the fund voted	10	12	
Total number of agenda items on which the fund voted			
- number of votes in favour of management proposal	82	91	63%
- number of votes against management proposal	45	54	37%
- number of votes abstained	0	0	0%
Total	127	145	

Engagement	March 2012	Total for 2012
Number of companies engaged in dialogue	8	39
Number of shareholder meetings where questions were asked	0	0