

# Newsletter

MARCH 2012

## Triodos Sustainable Mixed Fund

### Key figures fund

As per 31 March 2012

Inception date 7 October 2010

Total Net assets EUR 65.5 million

Total Number of shares outstanding  
2,330,058

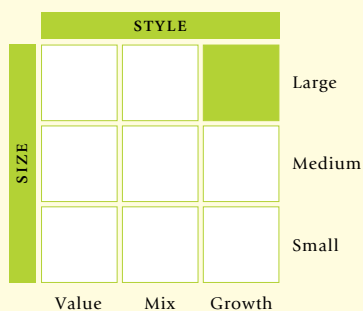
Net asset value  
EUR 26.85 (class R-cap)

Total Expense Ratio (2011)\*  
1.24% (incl. management fee 1.05%)

Morningstar rating™ ★★☆☆

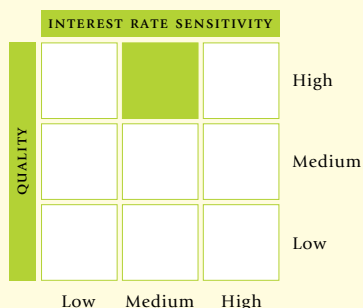
### Morningstar style box™

Equity style



### Morningstar style box™

Bond style



\* The management fee is an annual figure whereas the Total Expense Ratio for the R-cap class is based on its inception date of 7 October 2010.

Triodos Sustainable Mixed Fund invests primarily in listed companies that offer a combination of attractive financial results and a strong social and environmental performance. Triodos Sustainable Mixed Fund invests in equities and bonds issued by sustainable companies and institutions as well as in government bonds. Triodos Sustainable Mixed Fund invests mainly in sustainable equities (30% to 60%) and bonds (40% to 70%, with an average allocation of 40% to government bonds and 60% to corporate bonds). In addition to the usual risk/return analysis, the sustainability performance of the 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 Mixed Fund generated a return of 1.2% based on its Net Asset Value. The total net assets of Triodos Sustainable Mixed Fund increased to EUR 65.5 million. Per end of March 2012 the fund's asset allocation was as follows: equities 35.1%, bonds 56.6% and liquidity 8.3%.

For the third month in a row most equity markets posted positive returns. The positive sentiment was boosted by the sense that the worst of Europe's problems is behind us and that the US economy is gaining traction. In the consumer-related sectors Starbucks and Henkel were particularly bright stars. On a sector level information technology and capital goods were the biggest positive contributors. The share price of open source software company Red Hat, for instance, rose in reaction to the publication of better-than-expected quarterly earnings and projections, while Pentair was subject to a takeover bid (payable in stock) that caused its share price to go up by over 15%. The utility and energy sectors were this month's laggards. During the past month no significant changes were implemented in the fund's portfolio.

During March the 'voluntary' restructuring of part of Greece's sovereign debt was implemented without major side-effects. New and less harsh deficit targets were imposed on Spain after the country failed to reach its target for 2011 by a wide margin. The Netherlands also came under fire because of its relatively weak cyclical performance and high budget deficit. Due to the liquidity support provided by the European Central Bank in recent months the bond market trends were favourable. In reaction to the positive sentiment many European companies decided to issue bonds - with low coupons - on the capital market. In March we also established a new longer term holding in DnB Nor, a large Norwegian financial institution.

### Outlook

In recent weeks the projections for US economic growth have improved further. The benign cycle of more employment leading to more effective demand, which in turn generates additional employment seems to have gotten underway. However, the fund believes that it is still too early for a definite confirmation that this recovery will be sustained.

**ISIN code**

LU0504302356 (class R-cap)  
 LU0504302604(class R-dis)  
 LU0504302943 (class I-cap)  
 LU0504303081 (class I-dis)

**Bloomberg code**

TRSMFRC LX (class R-cap)  
 TRSMFRD LX (class R-dis)  
 TRISMIC LX (class I-cap)

On the surface the risks are no different than last year, but in recent months some risks have been pushed forward to the future. This year no risks have materialized yet and there are fears that as a result the equity market may underestimate the existing uncertainties, such as the Euro issues emanating especially from Spain and the slowdown of the Chinese economy. The fund maintains its defensive positioning in equities. Low inflation expectations and the risk that economic growth will nevertheless disappoint in the months ahead were the reasons why we decided to opt for a neutral weight in bonds.

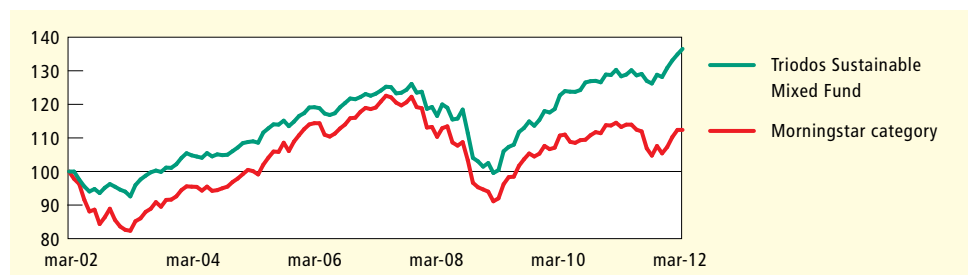
**Return (in %), 31 March 2012**

	1 month	3 months	YTD	1 year	3 year average	5 year average	10 year average
<b>Return based on NAV (R-dis)</b> (incl. reinvestment of dividends, incl. costs)	1.2	4.3	4.3	6.4	10.8	2.1	3.2
<b>Morningstar category</b> (EUR Moderate Allocation)	0.0	4.7	4.7	-1.2	7.3	-1.0	1.3

Source: vwd group and Morningstar

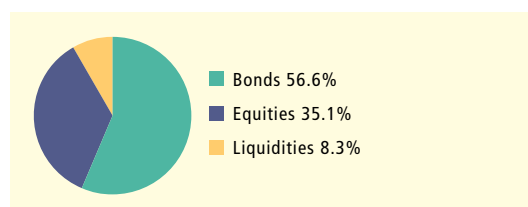
In the return tables and graphs of the annual and interim reports the return of the sub fund is compared with that of the benchmark and the reference index of the sub fund. You can find these on [www.triodos.com](http://www.triodos.com). It is also possible to compare the returns of the sub fund with 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 investments, 31 March 2012**



Source: RBC Dexia

**Top 10 investments, 31 March 2012**

	Name	%
1	4.000% Austrian Government bond 2006 - 2016	5.4
2	3.750% German Government bond 2006 - 2017	3.3
3	2.500% Compagnie de Financement Foncier 2008 - 2015	2.6
4	3.500% Dutch Government bond 2010 - 2020	2.4
5	6.250% Austrian Government bond 1997 - 2027	2.1
6	4.850% Austrian Government bond 2003 - 2026	2.0
7	4.375% Rabobank NV 2006 - 2021	1.8
8	4.000% Dutch Government bond 2009 - 2019	1.7
9	3.250% Dutch Government bond 2011 - 2021	1.6
10	3.650% Austrian Government bond 2011 - 2022	1.6

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.

*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.

### Triodos Sustainable Mixed Fund

*This newsletter is for information purposes only and is intended for international distribution outside The Netherlands. Triodos Sustainable Mixed 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 Mixed 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 Mixed Fund (in English) may be obtained from Triodos Bank in Zeist, telephone +31 (0)30 693 65 11 or via [www.triodos.com](http://www.triodos.com).*

Voting behaviour	March 2012	Total for 2012	Split
Number of shareholder meetings at which the fund voted	10	12	
<b>Total number of agenda items on which the fund voted</b>			
- 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%
<b>Total</b>	<b>127</b>	<b>145</b>	

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