

Newsletter

FIRST QUARTER 2012

Triodos Renewables Europe Fund

Key figures

As per 31 March 2012

Launch date

June 2006

Total Net assets

EUR 57.9 million

Total Number of shares outstanding

1,791,794

Net asset value per share

EUR 32.25

Total Expense Ratio (2011)

3.24% (incl. management fee 2.5%)

ISIN code

LU0254371015

Sustainable energy is the way forward. Wind and solar energy, hydropower and biomass energy are the modern alternative to oil, gas, coal and uranium. No more emissions of substances that pollute the air and cause global warming, but clean sources of energy that do no harm to the environment. Triodos Renewables Europe Fund invests in relatively small-scale European producers of green power, such as wind farms, solar energy and biomass installations and small-scale hydropower facilities. The fund is established in Luxembourg. Triodos Investment Management acts as investment manager of the fund.

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Investment policy

On 31 March 2012 the fund had investments outstanding in a total of 22 projects. The fund provides risk-bearing capital to projects in the form of subordinated loans or equity stakes. Generally, subordinated loans produce slightly lower returns than equity investments because the related risks are also slightly lower and the expected cash flows (i.e. interest and redemption payments) are more predictable. We believe that the combination of equity and subordinated loans provides the optimum risk/return ratio for the fund.

The fund has a well-diversified portfolio in terms of technology. The largest proportion of the portfolio is invested in solar projects (54%). Compared with wind (41%) and biomass (5%), solar energy provides the most stable cash flows on an annual basis. The cash flows from wind energy projects are slightly less predictable because of greater fluctuations in the amount of wind per year.

The cash flows generated by the projects are largely based on subsidies or feed-in tariffs paid by local governments. The fund has a good geographical diversification, mitigating the risks of regulatory changes in individual countries. (See the "country breakdown" table on the next page).

Review of the first quarter

On 31 March 2012 the net asset value per share was EUR 32.25, which implies a return of 0.6% for the first quarter of 2012. The portfolio staged a strong performance during the quarter (in line with the fund's target return of 5-7% on an annual basis), but average market interest rates also went up during the past three months and had a negative impact on the fund's return. The fund uses a valuation method for its investments that involves a weekly calculation of the net present value of the expected cash flows from projects using the current market interest rate as one of the inputs.

Because of new inflows in the first quarter on 31 March 2012 82.4% of the fund's assets were invested. The fund aims to have 85-90% of its assets invested and the managers are therefore cautiously looking out for new investment opportunities for the second or third quarter. The fund also has a current account facility that it uses to absorb inflows into and outflows from the fund.

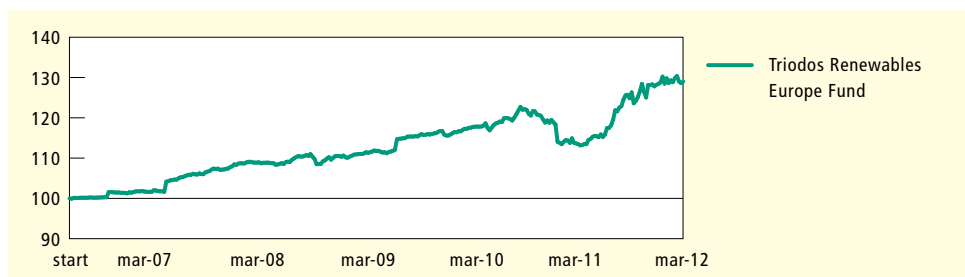
Returns based on net asset value per share (in %)

Including reinvestment of any realised profits, as on 31 March 2012

	1 month	3 months	YTD	1 year	3 year average	5 year average
Returns based on net asset value per share (including reinvestment of any realised profits)	0.1	0.6	0.6	13.5	5.1	4.9

Source: vwd group

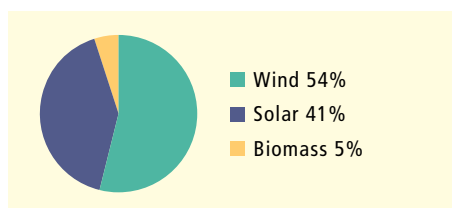
Performance chart (indexed), as on 31 March 2012



Source: vwd group

Investment breakdown

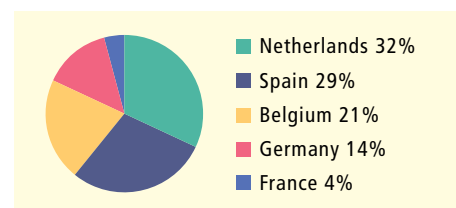
As on 31 March 2012




Source: Triodos Investment Management

Country breakdown

As on 31 March 2012



Source: Triodos Investment Management

Triodos  Renewables Europe Fund

This newsletter is for information purposes only. Triodos Renewables Europe Fund is a sub-fund of Triodos SICAV-II, which is established in Luxembourg. Triodos SICAV-II and its sub-funds are supervised by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier (CSSF). Triodos Renewables Europe Fund is registered with the Autoriteit Financiële Markten. The value of Triodos Renewables Europe 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-II, which includes information about Triodos Renewables Europe Fund (in English) may be obtained from Triodos Bank in Zeist, telephone +31 (0)30 693 65 11 or via www.triodos.nl.

Investment outlook

During the first quarter of 2012 the fund made no new investments, but because of the increase in the assets entrusted to the fund the management team is now keeping an eye out for new investment opportunities in the second or third quarter.

The current portfolio has a solid basis and is well diversified in geographical and technological terms, in line with the fund's objectives. Furthermore, the assets entrusted to the fund are largely invested. The fund therefore continues to aim for a net return of 5-7% in the medium to long term.

The fund's name recognition among developers is strong, resulting in a sustained pipeline of projects that the fund may invest in. In addition, the fund has developed long-term relationships with existing parties, resulting in closer co-operation. Ultimately, this leads to more investment opportunities, which in turn helps to reinforce the fund's contribution to making the European energy market more sustainable.