

# Prospectus

## Triodos SICAV II

Société d'Investissement à Capital Variable  
Luxembourg

RCS Luxembourg B115 771

December 2012

Potential investors must be aware of the fact that some Sub-Funds are semi open-end 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 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-end, i.e. they are open-end in principle, but can be temporarily closed, if trading is not possible and other Sub-Funds may be closed-end 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.

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 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.

Germany – This Prospectus is highly confidential and has been prepared by the Company solely for use in connection with the private placement of Shares.

No prospectus for a public offering of the Shares in the Federal Republic of Germany ("Germany") in accordance with the Securities Sales Prospectus Act (Wertpapier-Verkaufsprospektgesetz), the German Securities Prospectus Act (Wertpapier-Verkaufsprospektgesetz) or the German Investment Act (Investmentgesetz – "Investment Act") has been or will be filed with the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - "BaFin") or published or circulated in Germany. The Shares have also not been registered for public distribution in Germany with the BaFin pursuant to the Investment Act, and thus must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner.

This Prospectus and any other marketing materials relating to the Shares as well as information contained therein may not be supplied to the public in Germany or used in connection with any offer for subscription of the Shares to the public in Germany and may not be distributed to any person or entity other than the recipients hereof.

The Shares are not tax transparent within the meaning of the German Investment Tax Act (Investmentsteuergesetz). Potential investors in the Shares are advised to consult their own tax advisors as to the tax consequences of the relevant transaction involving the Shares. Taxation rates and their bases may change. As a result, potential investors should keep any tax advice obtained under review.

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 US 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 is a financial promotion for the purposes of section 21 of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"). The content of this Prospectus has not been issued or approved by a person authorised under the FSMA, and nor is the Company considered to be a recognised collective investment scheme for the purposes of sections 264 or 272 FSMA. Accordingly, insofar as this Prospectus is used to carry on a promotion of any class of shares in the Company within the United Kingdom, it may only be distributed in accordance with applicable exemptions from the financial promotion restriction in s 21 FSMA, and is thus intended only as a promotion made to:

1. Investment professionals, as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order");
2. High value entities (corporate, unincorporated, partnerships or trusts), as defined in accordance with Article 49 of the Order;
3. A director, officer or employee of any entity falling under (1) or (2), where that person has responsibility for the entity's investments and is approached in such capacity;
4. Any certified high net worth individual, as defined in Article 48 of the Order, being a person whom the Promoter reasonably believes has signed a statement complying with Part 1 of Schedule 5 to the Order to the effect that in the financial year to 5 April 2012, he or she had:
  - a. An annual gross income to the value of £100,000 or more; or
  - b. Net assets (subject to exclusions for his or her principal home and mortgage thereon, and certain life insurances and pension products specified in the Order) to the value of £250,000 or more.

Any recipient of this Prospectus in the United Kingdom to whom Article 48 of the Order applies and is in any doubt about the investment to which this document relates should consult a person authorised by the Financial Services Authority (the "FSA") specialising in advising in such securities.

This Prospectus has not been prepared in accordance with the regulations concerning documentation used in relation to a public offer of securities in the United Kingdom, as in accordance with s 85(5)(a) of, and paragraph 1 of Schedule 11A to, FSMA, the Shares are considered to be interests in an open-ended collective investment scheme and therefore outside the jurisdiction of the public offer regime in Part VI FSMA.

Date of Issue: December 2012

# Directory.

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<b>Registered Office</b>	69, route d'Esch L-1470 Luxembourg
<b>Promoter</b>	Triodos Bank N.V.  Registered office: Nieuweroordweg 1 3704 EC Zeist The Netherlands Postal address: P.O. Box 55 3700 AB Zeist The Netherlands
<b>Board of Directors</b>	<b>Chairman</b> Pierre Aeby, CFO of Triodos Bank  <b>Members</b> Marilou van Golstein Brouwers, Managing Director of Triodos Investment Management Patrick Goodman, Independent, Partner of Innpact Olivier Marquet, Managing Director of Triodos Bank Belgium Garry Pieters, Independent, Associate of The Directors' Office Luxembourg Alexander Schwedeler, Managing Director Triodos Bank Germany
<b>Investment Manager and Contractor of supporting services</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 Bank N.V.  Registered office: Nieuweroordweg 1 3704 EC Zeist The Netherlands Postal address: P.O. Box 55 3700 AB Zeist The Netherlands
<b>Custodian, 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

**Legal Advisor**

Arendt & Medernach  
14, Rue Erasme, B.P. 39  
L-2010 Luxembourg  
Luxembourg

Copies of the prospectus and any information relating thereto may be obtained from the registered office of the Company at 69, route d'Esch, L-1470 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>Articles</b>	the Articles of Incorporation of the Company dated 10 April 2006 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>Custodian</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>	Triodos Bank N.V. and any distributor appointed by the Company from time to time. 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>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>Investment Management and Supporting Services Agreement</b>	Agreement dated 13 November 2009 by which the Company appoints the Investment Manager, as amended
<b>Investment Manager</b>	Triodos Investment Management B.V. ("TIM"), a wholly owned subsidiary of Triodos Bank N.V.
<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>Legal Advisor (as to Luxembourg law)</b>	Arendt & Medernach
<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 disclosable 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.
<b>Paying Agent</b>	RBC Investor Services Bank S.A.
<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 [December] 2012, 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>	69, route d’Esch, L-1470 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>	Société d’Investissement à Capital Variable
<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>TIM</b>	Triodos Investment Management B.V.
<b>Total Expense Ratio</b>	a figure representing the total costs charged to the assets of (a Class of Shares of) a Sub-Fund during a period to the weighted average Net Asset Value of this (Class of Shares of that) Sub-Fund during the relevant period
<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
<b>U.S. Person</b>	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 amended from time to time.
<b>Valuation Date</b>	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.

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 corporate 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 69, route d’Esch, L-1470 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 19 May 2006 and published in the Mémorial.

The Company is structured as an umbrella fund, which provides both institutional 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-end, i.e. they are open-end in principle, but can be temporarily closed, if trading is not possible and other Sub-Funds may be closed-end 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-end 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".

## 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. 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 risk factors. 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.

## 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.

# Conflicts of interest.

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Prospective investors should note that the Investment Manager, the Custodian and their respective affiliates, directors, officers and Shareholders (collectively the "Parties") 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. Any such transaction must be specifically reported at the next meeting of Shareholders before any other resolution is put to a vote.

The Investment Manager shall act in the best interests of the Company. The Investment Manager shall immediately inform the Company of any circumstance where the Company would participate in a transaction in which the Investment Manager 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 Investment Manager's duty to the Company. Any such transaction will be specifically reported in the Company's annual report.

The Custodian, in carrying out its role as custodian of the Company, must act solely in the interest of the Shareholders.

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 Custodian of the Company, may also both: (i) execute the hedging policy of the Company and (ii) act as a counterparty to FX transactions governed by this agreement. Such situation 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 Investment Manager. No such Shareholders will be required or expected to disclose or otherwise reveal any such information to third parties, including the Company and the Investment Manager.

# Net Asset Value.

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## Valuation Date

The Net Asset Value of each Sub-Fund is calculated on 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 on 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 on any Valuation Date.

In calculating the Net Asset Value, income and expenditure are treated as accruing from day-to-day.

The value of the assets in each Sub-Fund shall be determined by the Administrator, acting independently, based on the information it has received as explained hereinafter, and under the supervision of the Board of Directors. For such purpose, the Administrator, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, 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) by (a) specialist(s) duly authorised to that effect by the Board of Directors, finally, (iv) in the case no prices are found or when the valuation may not correctly be assessed, the Administrator may rely upon the valuation provided by the Board of Directors.

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) will be based on the International Private Equity and Venture Capital Valuation

Guidelines, as published from time to time by the European Venture Capital Association (EVCA), and is conducted with prudence and in good faith. Other assets will be valued according to the following rules:

- 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 Investment Manager on the creditworthiness of the relevant debtor. The Board of Directors 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 Board of Directors.
- 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 Board of Directors, not representative of the fair market value of such securities, for example in the case of illiquid securities and/or stale prices, the Board of Directors 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-end 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 Investment Manager, in accordance with instructions and under the overall control and responsibility of the Board of Directors, 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 Board of Directors, 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 Board of Directors 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 Board of Directors.
- i All other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Company is authorized, prudently and in good faith, to follow other rules in accordance with procedures approved by the Auditor, 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 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 on 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. 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 prevent the ownership of Shares by U.S. Persons and to issue Class "I" Shares to Institutional Investors only and Class "P" Shares to entities of the Triodos Group.

## 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 Auditor. The transaction costs (including the Auditor's 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.

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.

## 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 Administrator 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 Custodian or a Distributor at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as the Administrator 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 Registrar 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

# Redemption of Shares.

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Some of the Sub-Funds of the Company are semi open-end, i.e. they are open-end in principle, but can be temporarily closed if trading is not possible and other Sub-Funds may be closed-end 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 provided 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 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 Auditor. 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 in 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-end 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 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-end 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 its Investment Manager, fees and expenses payable to its accountants, Custodian, Paying Agent, Administrator, Domiciliary, Registrar 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 traveling 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).

## 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.

## Investment Management fees

For the services it provides, the Investment Manager 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 Custodian, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

The Custodian, 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. 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 of incorporation of the Company.

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, who 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 Investment Manager

Pursuant to the Investment Management and Supporting Services Agreement, the Board of Directors has appointed as investment manager TIM, 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 (the "Investment Manager") who may, subject to the approval of the Board of Directors, delegate its powers, in which case the Prospectus will be updated or supplemented accordingly.

The Investment Manager provides the Board of Directors with advice, reports and recommendations in connection with the management of the assets of the Sub-Funds and shall advise the Board of Directors as to the investments of the Sub-Funds and, pursuant to the relevant agreement(s), will have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Board of Directors, to purchase and sell such assets and otherwise to manage the Sub-Funds' portfolios.

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. TIM is one of the entities of the Triodos Group that manages and advises Triodos Group and third party funds. TIM is a 100% shareholding of Triodos Bank N.V. TIM'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 Investment Management and Supporting Services 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 Investment 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.

With reference to the promotership and the conclusion of investment management agreement(s), in the event that a majority participation in the Company is held by an entity not part of Triodos Group or the Investment Manager 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 Custodian and Paying Agent

RBC Investor Services Bank S.A., a société anonyme with registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, has been appointed custodian of the assets of the Company which are held either directly by the Custodian, or through correspondent banks or other agents agreed by the Company.

The Custodian must in particular:

- a) ensure that the sale, issue, repurchase and cancellation of the Shares effected by or on behalf of the Company are carried out in accordance with the Law of 2010 and the Articles;
- b) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- c) ensure that the income of the Company is applied in accordance with the Articles.

RBC Investor Services Bank S.A. shall furthermore act as paying agent of the Company.

The Custodian's and Paying Agent's appointment is governed by an agreement signed on 26 April 2006. Under this agreement all securities, cash and other assets of the Company are entrusted to the Custodian. The agreement may be terminated by either party upon ninety days' prior written notice.

## Administrative Agent

Pursuant to an agreement signed on 26 April 2006, RBC Investor Services Bank S.A. has been appointed as administrator of the Company (the "Administrator"). This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of ninety days' notice.

As Administrator, 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. shall furthermore act as a Domiciliary and Corporate Agent of the Company.

## Registrar and Transfer Agent

Pursuant to an agreement signed on 26 April 2006, RBC Investor Services Bank S.A. has also been appointed 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.

As Registrar 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 Triodos Bank N.V. as the (principal) Distributor for the Company. The Distributor may conclude contractual arrangements with Sub-Distributors, placement agents or other processing agents as its agents.

The Company may appoint other Distributors. An up to date list of the Distributors appointed to each Sub-Fund is available at the Registered Office.

Any 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 such Distributor(s), 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.

## 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 Custodian 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 a 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; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a description of the assets of each Sub-Fund and a report from the Auditor.

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 of the Company 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 Custodian and Principal Paying Agent Agreement;
- (iv) the Investment Fund Services Agreement;
- (v) the Investment Management and Supporting Services Agreement;
- (vi) the Distribution Agreement and the list of (Sub-) Distributors appointed;
- (vii) 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.

# 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 an above average risk. 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>Equity</b>	ownership interest in a company
<b>Financial close</b>	This is the moment 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>KW</b>	kilowatt (1,000 watts)
<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>MW</b>	megawatt (1,000,000 watts), the unit for measuring the energy output of a project
<b>Power Purchase Agreement</b>	("PPA") 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

Energy is an indispensable asset. After food, water, medicines and shelter, energy has become a necessity of modern life, and access to it allows for economic development. Despite the benefits, current energy consumption patterns have a large negative environmental impact. For many years there have been concerns about the local impact of fossil fuel production and the air pollution caused by high levels of energy use mostly in densely populated areas. Over the last 20 years, evidence of a much more complex, all encompassing environmental impact of our energy use has become apparent: climate change. Increasing evidence – be it scientific or unusually extreme weather conditions – have provided a wakeup call for the need for drastic change in our energy production and consumption. It requires a transition from the current carbon based energy system to a society powered by renewable energy sources.

Renewable energy is the way forward. Wind and solar energy, hydropower, geothermal power and energy from biomass are the modern alternatives to oil, natural gas and coal. No more polluting and damaging extraction methods or emissions of substances that pollute the environment and cause global warming.

The alternative is clean endless sources of energy that do no harm to the environment.

### What for?

The Sub-Fund will help to fund further growth in the renewable energy industry by investing in clean power production, and thus help reduce the CO<sub>2</sub> emissions. In the coming years the number of new projects in the market and the investment volumes of each project will continue to grow. In order to meet the financial requirements to fulfill this growth, adequate funding is required. The Sub-Fund will provide equity and/or quasi-equity financing to renewable energy projects and energy efficiency or savings initiatives, required to complete the total financing of these projects. By offering 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 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, we believe that the market has 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 annual return of 5 to 7% (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, Profit).

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

Energy has become a necessity of modern life, and access to it allows for economic development. In TIM'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 Investment Manager has identified market opportunities for the Sub-Fund due to the increasing attention and need for renewable energy production and the urgency to diminish the negative impact of conventional energy production on our global environment.

### Type of investments

The Sub-Fund does not invest in renewable energy technology or technology providers, but predominantly in the straightforward production of green electricity: the “green kilowatt-hours”. Investments will be made in small and medium sized renewable energy production facilities. These renewable energy production facilities derive sustainable energy from natural resources such as wind, sun, biomass and running waters.

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

The Sub-Fund will primarily (up to 95% of its total assets) 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 licenses, power purchase agreement, grid connection, solid cash flow projection and project financing in place to the satisfaction of the Sub-Fund).

The Sub-Fund may on an ancillary basis, invest up to 5% of its total assets, 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.

**Wind Energy** – Wind energy has been used for centuries all over Europe, for various purposes. Modern wind turbines are available for both small and large scale electricity generation and major technological improvements have been shown over the past two decades.

This Sub-Fund would typically invest in these small and medium-sized onshore wind farms, starting from several stand-alone wind turbines (< 10 MW) to bigger wind farms of 20-50 MW or even up to 100 MW. Investments in large scale offshore wind farms may be considered.

**Solar Photovoltaics (PV)** – Solar photovoltaic technology uses high-tech solar cells to produce electricity from sunlight. Direct sunlight is not necessary, but cloudy conditions do reduce the production rate. Solar PV is still quite an expensive technology, but further technological improvements and reduction of costs are taking place.

**Solar Thermal** – Solar thermal technology uses solar panels (collectors) that absorb and/or concentrate the heat from the sun. As a rule, this heat is used to heat water, primarily for domestic purposes. The Sub-Fund may disburse an investment in several smaller solar thermal projects, that are bundled together, or in small or medium-sized industrialized projects that apply solar thermal energy.

**Clean Biomass** – Biomass is the overall name for a wide range of biodegradable organic materials, such as wood, specific energy crops, agricultural residues, as well as organic waste from households and the biodegradable organic fractions of industrial waste. Biofuels, such as biodiesel, can also be considered biomass. Biomass can be processed in different ways, usually with the aim to generate (combined) heat and power and/or fuel for vehicles.

The Sub-Fund may typically invest in small and medium sized biomass installations that are ecologically sound and sustainable. The most important criterion is that the cultivation and production process and/or the origin of the biomass, its transport to the processing plant and the energy efficiency of the processing can all be considered to contribute to a sustainable value chain. Moreover, the Sub-Fund will have a preference for projects on a “local-to-local” basis, where the feedstock is obtained locally and the electricity and heat (and/or fuels) are being used locally as well.

**Small Hydro** – Hydro power makes use of the energy from running waters, by channeling water through a dam or by making use of river flows to drive a generator to generate electricity. The Sub-Fund would typically invest in small and ecologically sound hydro projects in running rivers in mountainous and/or hilly areas.

**Other Renewable Energy** – At a later stage, the Sub-Fund may also invest in geothermal and/or tidal and wave energy projects. Currently, these technologies are not considered proven, but they may become so within a decade and their contribution in the longer term could be considerable.

**Energy Efficiency** – Certain energy efficiency projects like combined heat and power installations, heat pump systems, etc., are also within the scope of the Sub-Fund’s investment policy, provided that they can be considered best of class in their category.

### Targeted countries; geographic focus

The Sub-Fund's focus is on Europe, with the Netherlands, Germany, Belgium, France, Spain and the United Kingdom being the core markets. After due consideration, projects may also be sourced in other European countries, including the new Central European EU-Member States (such as the Baltic States, Poland, Czech Republic and others).

Investment volumes in the United Kingdom ("UK") will be limited, since another UK domiciled Triodos advised renewable energy fund is active there and focuses specifically on the UK. Therefore, if the Sub-Fund invests in this country, it will predominantly be in the form of co-investments.

### Financing instruments

The Sub-Fund will invest in equity and/or mezzanine financing instruments, such as subordinated debt or preferred capital, in qualifying investments. Capital requirements for these small and medium sized 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.

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.

In the interest of the Shareholders and for purposes of tax 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 Custodian shall be in a position to look through the holding company to carry out its 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, as far as possible, be made in Euro. However, investments in other EU, but non-Euro currencies can be made (Pound Sterling, Polish Zloty, Czech Crown, etc.). Where possible (in case of fixed term mezzanine financing) the currency risk may be hedged.

## 5. Investment restrictions (see also "Risk factors")

### Risk diversification

The Sub-Fund may:

- invest up to 100% of the total assets of the Sub-Fund in securities not listed on a stock exchange nor dealt on a Regulated Market;
- invest up to 15% of the total assets of the Sub-Fund in securities and financing instruments issued by the same entity;
- acquire, for the Sub-Fund, up to 100% of the securities and the financing instruments issued by the same entity;
- invest up to 5% of the total assets of the Sub-Fund in project-development type of activities;
- invest up to 35% of the total assets of the Sub-Fund in non-hedged non-Euro denominated investments.

### Borrowing

The Sub-Fund may borrow up to 40% of its Net Assets.

Within this limit, the Sub-Fund will either borrow money from reputable financial institutions or issue debt instruments such as bonds. In the latter case, the Prospectus will be updated accordingly.

## 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 paragraph describes the main risks of the Sub-Fund, as identified; however, other risks may exist.

### Project risks

Variable factors such as wind speed, rainfall and sunlight. Inherent fluctuations of available energy 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 Power Purchase Agreements ("PPA") by counterparties. The Sub-Fund will only consider PPAs from reputable investment-grade utility companies or Government-backed contracts. However, 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.

### Market & 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.

### Financial risks

The Sub-Fund invests almost exclusively in risk-bearing assets, that are usually unsecured and that do not offer collateral (or offer 2nd 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.

### 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.

### 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.

### 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.

### Currency risks

The Sub-Fund is a Euro denominated fund and since most investments will be 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 (including the new Central European EU-Member States). In such case, a currency risk may occur. In order to minimize this risk, investments in these countries will preferably be in the form of Euro denominated subordinated debt. In certain cases, where potential returns are attractive, if a project is strong and the regulatory framework in a given country allows for it, equity investments in local currency may also be considered. The Sub-Fund may take additional measures to hedge such currency risk (only in the case of debt). The Sub-Fund will limit the currency risk by limiting its non-hedged exposure to non-Euro denominated projects to 35% of its total portfolio.

### Organisational risks

Loss of key personnel, especially with the Investment Manager. Loss of this personnel could have an adverse effect on the Sub-Fund's ability to maintain its investments plans and strategy. In addition to the team at TIM, 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 TIM 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 TIM. TIM 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:

Class "R" Shares (ISIN Code: LU0254371015),  
Class "Z" Shares (ISIN Code: LU0842293341; not launched for the time being),

Class "I" Shares (ISIN Code: LU0254372179),  
Class "P" Shares (ISIN Code: not available).

Class "R" Shares is open to any investor.

Class "Z" Shares (when launched) is open to any investor.  
Class "Z" Shares has a particular fee structure.

Class "I" Shares is restricted to Institutional Investors.

Class "P" Shares is open 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 Board of Directors of the Company must be appointed. Initially, Shares are issued in registered form. At a later stage, Shares may also be issued in bearer form.

## 8. Distribution policy

Currently, all Shares are of the Capitalization 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 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 (when launched) are subject to the annual subscription tax at the rate of 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 Business Day preceding 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 has to be made no later than three Business Days after the relevant Valuation Date.

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.

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

### Subscriptions during the Initial Offering Period of Shares

The Initial Offering Period and the Initial Subscription Price for Class “Z” Shares will be determined at a later stage.

## 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

	Minimum holding requirement	Minimum initial requirement	Subsequent investment requirement
Class “P” Shares	No minimum	No minimum	No minimum
Class “R” Shares	No minimum	No minimum	No minimum
Class “Z” Shares (when launched)	No minimum	No minimum	No minimum
Class “I” Shares	EUR 100,000	EUR 100,000	No minimum

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

The Sub-Fund is semi open-end, i.e. Shares may be redeemed in principle once a week, on the Business Day preceding the 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 on the Valuation Date.

Applications for redemptions, 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), 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 be effected no later than three Business Days after the relevant Valuation Date.

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 on 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 4.00p.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. Investment Manager

TIM has been appointed as Investment Manager for the Sub-Fund.

## 18. Charges and expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Total Expense Ratio (TER) or Ongoing Charges for the Sub-Fund to a maximum of 3.5%. The charges and expenses can be divided as follows:

### a. Management fee

The Sub-Fund pays for the provision of investment 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 investment 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 investment management services and supporting services an annual fee of maximum 2.25% for Class "Z" Shares (when launched), 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. Fees of the Custodian, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

The Custodian, 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.

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

#### **c. 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.

#### **d. Marketing expenses**

The costs for marketing activities incurred by the Investment Manager related to retail investors and attributable to Class "Z" Shares (when launched) will only be borne by Class "Z" Shares (when launched) and may amount to maximum 0.20% (on an annual basis) of this Share Class' Net Assets.

# 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 an above average risk. 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>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>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>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

Microfinance is an important tool in providing access to financial services for low-income people in developing countries. A significant number of people 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 micro-enterprises, and improve their income earning capacity, to help save for school fees and provide a financial cushion for the future. 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 poor 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, 2.7 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

TIM has contributed its unique experience in sustainable banking to the microfinance sector since 1994. TIM manages different microfinance investment funds which provide finance for more than 95 microfinance institutions in more than 40 countries in Latin America, Africa, Asia and Eastern Europe. The total assets managed amount to EUR 360 million at 31 December 2011.

## Outlook on the 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 banks, saving and credit cooperatives as well as commercial banks 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 microfinance, 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 microfinance services vary greatly around the world. Average loan sizes for microfinance clients can vary from just over EUR 200 in some parts of Africa and Asia to a few thousand Euros in the Eastern European and Central Asian market.

The Sub-Fund will help to fund further growth of the provision of financial services to the lower segments in the markets in which microfinance institutions 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 MFIs 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 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 MFIs. 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 the microfinance sector into an inclusive financial sector in which the majority of people have access to financial services.

The target of the Sub-Fund is to invest 25-40% of its assets in equity (mostly local currency), up to 20% in subordinated and/or convertible debt (mostly local currency), 30-40% in local currency senior debt instruments and 10-20% in senior debt instruments denominated 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 annual return in Euro of 6 to 9 % (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 TIM'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 sector 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 investee companies by senior staff of TIM or in some cases, experienced bankers. In this role, TIM

contributes actively to the governance by sharing its expertise in sustainable banking and its specific expertise in microfinance.

As an investor TIM can influence the direction the microfinance sector takes. It shares the responsibility with everyone involved in the value chain – investors, microfinance institutions 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 can include SMEs as well, which in many countries, still lack access to financial services and specifically loans. 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.

If deemed applicable, the investment by the Sub-Fund might 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 in the microfinance sector:

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

The Sub-Fund will mostly invest, directly or indirectly, in MFIs 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 MFIs. 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 presented 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.

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 30% of its total assets in securities and financing instruments issued by or provided to entities that operate in the same country;
- invest up to 15% of its total assets in other UCI's;
- 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).

The Sub-Fund may lend to a single MFI up to 20% of this MFI's loan portfolio.

### 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 30% of its total assets in un-hedged exposures of a single local currency.

### Borrowing

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.

### 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 paragraph describes the main risks of the Sub-Fund, as identified; however, other risks may exist.

### 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.

### 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 of the Sub-Fund might have a limited track record. Based on the longstanding experience of the Investment Manager, 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.

### 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.

### 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.

### 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.

### Organisational risks

Loss of key personnel, especially with the Investment Manager is an organizational risk. Loss of this personnel 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 TIM 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 entities or entities managed by TIM. TIM 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; not launched for the time being)
- Euro-denominated Class "Z" Shares Distribution (ISIN Code: LU0842303249; not launched for the time being)
- 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 is 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 is open to certain retail investors, dependent on their country of residence.

Class "Z" Shares (when launched) is open to certain retail investors, dependent on their country of residence. Class "Z" Shares has a particular fee structure.

Class "B" Shares is 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 is restricted to Institutional Investors.

Class "K-Retail" Shares was offered to certain retail investors resident in the United Kingdom. Following the implementation of the Retail Distribution Review, no new "K-Retail" Shares will be issued after 31 December 2012. This Class of Shares is hedged towards the Euro.

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

Until 1 January 2013 Class "K-B" Shares is open 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 will be issued after 31 December 2012. This Class of Shares is hedged towards the Euro.

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

Initially, Shares are issued in registered form. At a later stage, Shares may also be issued in bearer form.

## 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 kind 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 kind 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 0.05% per annum.

The Sub-Fund is exempt from subscription tax provided that:

- (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 (when launched), 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" (when launched), 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

Shares may be subscribed once a month on the Business Day preceding 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 has to be made no later than five Business Days after the relevant Valuation Date. In case applicants subscribe directly with the Registrar 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 has to be made 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.

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	No minimum	No minimum	No minimum
Class "R" Shares	EUR 500	EUR 500	No minimum
Class 'Z' Shares (when launched)	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 Board of Directors, in its discretion, may accept subscriptions of other amounts or establish different holdings in the future for all mentioned Classes of Shares.

#### Subscriptions during the Initial Offering Period of Shares

Subscriptions in the British Pound-denominated Class "K-Z" Shares during the Initial Offering Period will be effectuated at the Initial Subscription Price of GBP 20.

The Initial Offering Period for the British Pound-denominated Class "K-Z" Shares will start on 2 January 2013 and end at 4.00pm (Luxembourg time) on 30 January 2013.

In case no subscription is received during the Initial Offering Period, the Initial Subscription Price shall remain the same until a first subscription in the relevant Class of Shares is received.

The Initial Offering Period and the Initial Subscription Price for the Euro-denominated Class "Z" Shares will be determined at a later stage.

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

The Sub-Fund is semi open-end, 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 on the Valuation Date.

Applications for redemptions of the "R", "Z" (when launched), "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 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 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 be effected no later than five Business Days after the relevant Valuation Date.

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" Shares (when launched), "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 on 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 4.00p.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. Investment Manager

TIM has been appointed as the Investment Manager of the Sub-Fund.

## 18. Charges and expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Total Expense Ratio (TER) or Ongoing Charges for the Sub-Fund to a maximum of 3%. The charges and expenses can be divided as follows:

### a. Management fee

The Sub-Fund pays for the provision of investment 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 investment 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 investment management services and supporting services an annual fee of maximum 2.25% for Class "Z" Shares (when launched) 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. Fees of the Custodian, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

The Custodian, 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.

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

### c. 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.

### d. Formation expenses

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

#### **e. Marketing expenses**

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