

# Prospectus

# Triodos SICAV II

Société d'Investissement à Capital Variable Luxembourg  
RCS Luxembourg B 115 771  
January 2025

# Preliminary

Triodos SICAV II (the “Company”) has been authorised by the CSSF, which is the Luxembourg supervisory authority for the financial sector, in compliance with Part II of the Law of 2010. The Company qualifies as an externally managed AIF and has appointed Triodos Investment Management B.V. as its AIFM.

The regulatory authorisation of the Company does not require the CSSF to approve or disapprove either the adequacy or accuracy of this prospectus of the Company (the “Prospectus”) or the portfolio of assets held by the Company. Any declaration to the contrary should be considered as unauthorised and illegal.

The Company is commonly known as an “umbrella fund” which is a single legal entity comprised of separate sub-funds within the meaning of the Law of 2010. 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.

In accordance with the articles of incorporation of the Company (the “Articles”), the Board of Directors of the Company (the “Board of Directors”) may issue Shares of different classes (individually a “Class” and collectively the “Classes”) in each Sub-Fund, on the basis of the information contained in the Prospectus and in the documents referred to herein.

Investors may thus 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. 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.

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 the Sub-Funds should be viewed as a medium to long term investment. An investment in Shares of a Sub-Fund should not represent a complete investment program and may not be appropriate for all investors.

The information contained in the Prospectus is supplemented by the financial statements and further information contained in the latest annual report, copies of which may be requested free of charge by an investor at the registered office of the Company and available on [www.triodos-im.com](http://www.triodos-im.com).

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 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.

Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof.

The distribution of the Prospectus and/or the offering and sale of the Shares may be restricted in certain jurisdictions or may be restricted or prohibited by law to certain prospective investors. 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. Reference is furthermore made to the local disclosure requirements and restrictions for the offering and distribution of the Shares of the SICAV to investors set forth in Appendix II Local Information of the Prospectus.

A key information document for packaged retail and insurance-based investment products (“PRIIPs KID”) in compliance with the relevant provisions of Regulation (EU) 1286/2014, as amended, and Commission Delegated Regulation (EU) 2017/653 will be published for each Class of Shares available to retail investors. PRIIPs KIDs are provided to potential retail investors in a good time prior to their subscription of Shares in the Company and are (i) provided in a durable medium other than paper or (ii) available on [www.triodos-im.com](http://www.triodos-im.com) and can be obtained in paper form free of charge during usual business hours on any Business Day at the Registered Office.

For the purpose of the above, a retail investor means a person who is (a) a retail client as defined in article 4 (1), point (11), of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“MiFID II”); or (b) a customer within the meaning of Directive 2002/92/EC (the “IMD”), where that customer would not qualify as a professional

client as defined in article 4 (1), point (10), of MiFID II; or  
(c) not a qualified investor as defined in Regulation (EU)  
No. 2017/1129, as amended or replaced.

**The value of the Shares may fall as well as rise and  
an investor 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 their  
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.

Date of Issue: January 2025

# Directory

## Registered Office

5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

## Board of Directors

### Chair

Garry Pieters,  
*Partner of The Directors' Office Luxembourg*

### Members

Monique Bachner-Bout,  
*Independent, Founder of Bachner Legal*  
Dirk Jan van Ommeren,  
*Managing Director of Triodos Investment Management B.V.*  
Jeroen Smakman,  
*Director Product & Process Management of Triodos Bank N.V.*  
Jane Wilkinson,  
*Independent, Founder of Ripple Effect*

## AIFM

Triodos Investment Management B.V.

### Registered office:

Hoofdstraat 10  
3972 LA Driebergen-Rijsenburg  
The Netherlands

### Postal address:

P.O. Box 55  
3700 AB Zeist  
The Netherlands

## Distributor

Triodos Investment Management B.V.

### Registered office:

Hoofdstraat 10  
3972 LA Driebergen-Rijsenburg  
The Netherlands

### Postal address:

P.O. Box 55  
3700 AB Zeist  
The Netherlands

## Depository, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

## Independent Auditors

PricewaterhouseCoopers, Société Coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

## Legal Advisor

Arendt & Medernach S.A.  
41A, Avenue John F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

Copies of the Prospectus and any information relating thereto may be obtained from the Registered Office of the Company at 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and from the relevant financial service provider.

# Table of contents

Preliminary	2
Directory	4
Glossary of terms	6
The Company, the Sub-Funds and the Classes of Shares	11
Investment objectives and policies	13
Risk management	14
Risk factors	16
Conflicts of interest	22
Net Asset Value	23
The Shares	26
Issue of Shares, subscription and payment procedure	28
Redemption of Shares	30
Conversion of Shares	32
Charges and expenses	33
Distribution policy	34
Taxation	35
General information	40
Anti-money laundering and counter-terrorism financing disclosure	51
Sub-Fund Particulars: Triodos SICAV II – Triodos Microfinance Fund	53
Sub-Fund Particulars: Triodos SICAV II – Triodos Emerging Markets Renewable Energy Fund	64
Appendix I Particulars	78
Appendix II Local Information	79
Sustainability Annex: Triodos SICAV II – Triodos Microfinance Fund	84
Sustainability Annex: Triodos SICAV II – Triodos Emerging Markets Renewable Energy Fund	92

# Glossary of terms

<b>Administrative Agent</b>	CACEIS Bank, Luxembourg Branch
<b>AFM</b>	the Netherlands Authority for the Financial Markets, the Dutch authority (or its successor) in charge of the supervision of the conduct of the financial markets in the Netherlands
<b>AIF</b>	alternative investment fund within the meaning of AIFMD, AIFMR and the Law of 2013
<b>AIFM</b>	Triodos Investment Management B.V. or such other entity as may, for the time being, be appointed as the alternative investment fund manager under AIFMD in relation to the Company
<b>AIFM Agreement</b>	the agreement between the Company and the AIFM, pursuant to which the AIFM was appointed alternative investment fund manager of the Company
<b>AIFMD</b>	directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directives 2003/41/EC and 2009/65/EC
<b>AIFMR</b>	delegated regulation 231/2013 of 19 December 2012 supplementing the AIFMD, as may be amended from time to time
<b>ALFI Code of Conduct</b>	the code of conduct adopted by the Board of Directors on the basis of the corporate governance principles issued by the Association of the Luxembourg Fund Industry, as may be amended or supplemented from time to time
<b>Articles</b>	the articles of incorporation of the Company dated 19 December 2022, as may be supplemented or amended from time to time
<b>Auditors</b>	PricewaterhouseCoopers, Société Coopérative
<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>Complainant</b>	all natural or legal persons who submitted a complaint with the Company
<b>Class</b>	each class of Shares within a Sub-Fund, which may differ, inter alia, in respect of their charging structures, types of targeted investors or other specific features
<b>Company</b>	Triodos SICAV II, which term shall include any Sub-Fund from time to time thereof
<b>CSSF</b>	the Luxembourg Commission de Surveillance du Secteur Financier
<b>Depositary</b>	CACEIS Bank, Luxembourg Branch
<b>Distribution Shares</b>	shares that give, in principle, to their holders the right to receive a dividend
<b>Distributor</b>	the AIFM and/or any distributor appointed by the Company from time to time in replacement of the AIFM

<b>Domiciliary and Corporate Agent</b>	CACEIS Bank, Luxembourg Branch
<b>ESG</b>	Environmental Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an investment in an Investee
<b>EEA</b>	European Economic Area
<b>EU</b>	European Union
<b>Euro/EUR</b>	the legal currency of the European Monetary Union
<b>Hard Currency</b>	currencies including Euro, U.S. dollar, GBP, Japanese yen, Swiss franc and other currencies used in advanced economies which are widely accepted for settling payment transactions
<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 Particulars 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 for the purposes of the Law of 2010 and by the administrative practice of the CSSF
<b>Investee</b>	an entity in which a Sub-Fund invests
<b>Law of 2010</b>	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
<b>Law of 2013</b>	the Luxembourg law of 12 July 2013 relating to alternative investment fund managers, as may be amended from time to time
<b>Legal Advisor (as to Luxembourg law)</b>	Arendt & Medernach S.A.
<b>Local Currency</b>	currencies excluding Hard Currency
<b>Lux GAAP</b>	Generally Accepted Accounting Principles applicable to investment funds in Luxembourg
<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>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>	the ratio of the gross amount of expenses incurred during the 12-month period prior to reporting date by a Sub-Fund (or Class of Shares thereof)
<b>Paying Agent</b>	CACEIS Bank, Luxembourg Branch
<b>Professional Investors</b>	Professional client within the meaning of Annex II of Directive 2014/65/EU (Markets in Financial Instruments Directive)
<b>Prohibited Person(s)</b>	has the meaning ascribed thereto in Section “Issue of Shares, Subscription and Payment Procedure – Restriction on ownership of Shares”
<b>Prospectus</b>	the Prospectus dated January 2025, 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>	5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg
<b>Registrar and Transfer Agent</b>	CACEIS Bank, Luxembourg Branch
<b>Regulated Market</b>	market which is regulated, operates regularly and is recognised and open to the public
<b>RESA</b>	the <i>Recueil Electronique des Sociétés et Associations</i> , the central electronic platform of the Grand Duchy of Luxembourg
<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>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended from time to time
<b>SFDR Delegated Regulation</b>	Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports, as may be amended from time to time
<b>SFT</b>	securities financing transactions within the meaning of the SFTR
<b>SFTR</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, as may be amended from time to time
<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 and Transfer Agent



<b>SICAV</b>	<i>Société d'Investissement à Capital Variable</i>
<b>Side Pocket Class of Shares</b>	Class of Shares that may be created within a Sub-Fund, if the Board of Directors determines that certain assets or securities of a Sub-Fund should be held until the resolution of a special event or circumstance (each, the “Ringfenced Investments”) for the purpose of segregating the Ringfenced Investments from the remainder of the investment portfolio in a side pocket within the Sub-Fund. For the avoidance of doubt, the Ringfenced Investments may represent one or several assets or securities. With respect to those existing assets or securities of a Sub-Fund that are determined by the Board of Directors to be Ringfenced Investments, such assets or securities will be attributed at the discretion of the Board of Directors, from the relevant existing Class(es) of Shares to the newly created Side Pocket Class(es) of Shares which may differ in respect of type of investors or other specific features. The Board of Directors shall determine the number and aggregate value of such Ringfenced Investments in accordance with the valuation rules and guidelines reflected in the Prospectus. The Side Pocket Class of Shares is closed for subscriptions, redemptions and conversions, and is created with the intention to be liquidated
<b>Sub-Distributor</b>	any sub-distributor which has entered into a sub-distribution agreement with a Distributor. A full list of sub-distributors is available at the registered office of the AIFM
<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>Sustainability Annex</b>	part of the Prospectus containing specific information on the sustainable investments regarding each Sub-Fund
<b>Taxonomy Regulation</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment, as may be amended from time to time
<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>Trade and Companies Register</b>	the Luxembourg’s <i>Registre de Commerce et des Sociétés</i>
<b>Triodos Bank Minimum Standards</b>	the minimum requirements that Triodos Investment Management B.V. applies for its investment activities. You can read more in the latest version of the Triodos Bank Minimum Standards, which can be found on <a href="https://www.triodos-im.com/binaries/content/assets/tim/tim/minimum-standards-and-exclusions.pdf">https://www.triodos-im.com/binaries/content/assets/tim/tim/minimum-standards-and-exclusions.pdf</a>
<b>Triodos IM Due Diligence Policy</b>	the internal policy that Triodos Investment Management B.V. applies for the selection and monitoring of its investments
<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>Triodos Transitions</b>	Triodos Investment Management B.V. makes use of five transitions, that are instrumental in the transition toward a sustainable economy and society, as a guideline for its investment activities. For more information please see <a href="https://www.triodos-im.com/impact-investing/vision">https://www.triodos-im.com/impact-investing/vision</a>
<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>	a citizen or resident of, or a company or partnership organised under the laws of or existing in any state, commonwealth, territory or possession of the United States of America, any trust of which any trustee is a U.S. Person, any agency or branch of a non-U.S. entity located in the U.S., any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person, any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the U.S., any partnership or corporation if organised or incorporated under the laws of any non-U.S. jurisdiction and formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act of 1933 unless organised and owned by accredited investors (as defined in the U.S. Securities Act of 1933) who are not natural persons, estates or trusts, or any such other person or persons defined as a “U.S. person” under Rule 902 of Regulation S promulgated under the United States Securities Act of 1933, as maybe 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

## 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 organised under Part II of the Law of 2010 and is regulated by the CSSF. The Company qualifies as an externally managed AIF under the AIFMD and the Law of 2013.

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

The minimum capital of the Company, as provided by law, which must be achieved within 6 months after the date on which the Company has been authorised 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 share capital of the Company will be equal, at any time, to the total value of the Net Assets of all the Sub-Funds. The share capital of the Company shall thus vary ipso iure, without any amendment to the Articles and without compliance with measures regarding publication and entry into the Trade and Companies Register.

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 5, Allée Scheffer, L-2520 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 December 2022 and published in the RESA.

The Company is structured as an umbrella fund, which provides institutional, qualified and retail investors

with a variety of Sub-Funds each of which relates to a separate portfolio of assets permitted by law and managed within specific investment objectives.

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 different features with respect to its cost structure, the initial investment required, the currency in which the net asset value is expressed or any other features feature as may be determined by the Board of Directors from time to time. The Board of Directors may further, at its discretion, decide to change any of these characteristics as well as the name of any Class of Shares. In such a case, the Prospectus shall be updated accordingly.

There may be capitalisation and distribution Shares. Whenever dividends are distributed on distribution Shares, the portion of net assets of the Class of Shares to be allotted to all distribution Shares shall subsequently be reduced by an amount equal to the amounts of the dividends distributed, thus leading to a reduction in the percentage of net assets allotted to all distribution Shares, whereas the portion of net assets allotted to all capitalisation Shares shall remain the same.

The Board of Directors may, in the future, offer new Classes of Shares without the approval of the Shareholders. Such new Classes of Shares may be issued on terms and conditions that differ from the existing Classes of Shares.

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

Where expressly provided for in the Sub-Fund Particulars, certain Classes of Shares may qualify as Side Pocket Classes of Shares.

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), 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 give the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the Company out of which a majority of the directors of the Company must be appointed.

# Investment objectives and policies

The Company is a sustainable 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 the investments of some Sub-Funds may be illiquid. There is consequently no assurance that the liquidity of such investments will always be sufficient to meet redemption requests as and when made. The treatment of redemption requests in the relevant Sub-Funds may thus be postponed in accordance with the section "Redemption of Shares".

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

## Pooling and co-management

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

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

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

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

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

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

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

# Risk management

The AIFM has implemented an integral risk management framework throughout its organisation in order to adequately monitor and manage the risks related to the Sub-Funds. The risk management framework is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission's) framework for integral risk management. It contains a permanent independent risk management function, as well as policies and procedures designed in accordance with applicable laws and regulations and best market practices. The risk management framework describes, amongst others, the roles and responsibilities of the risk management function, the risk governance (the 'three lines-of-defence' model) and the risk management process to identify, measure, mitigate, monitor, report and evaluate all relevant risks related to the Sub-Funds. The risk management function is responsible for the implementation and execution of the risk management process and policies. The risk management function is functionally and hierarchically separated from the portfolio management function.

## Exposure calculation and leverage

Applicable laws and regulations require that the Company's exposure of each Sub-Fund is calculated by the AIFM in accordance with two cumulative methods: the "gross method" and the "commitment method".

Within the meaning of the AIFMD, leverage is any method by which the AIFM increases the exposure of the Sub-Funds of the Company, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The leverage is measured on a frequent basis and shall not exceed such thresholds as further described in the Sub-Funds Particulars, using both the "gross method" and the "commitment method" in accordance with applicable laws and regulations such as the AIFMR.

The gross method gives the sum of the absolute values of all positions of the Sub-Fund whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

In case of use of derivative instruments, the EMIR Regulation and the related procedures established by the AIFM in relation to the Company will be complied with.

## Liquidity Management

The AIFM established an impact and financial risk management framework, in accordance with applicable laws and regulations and best market practices, to ensure that liquidity risk is appropriately measured, monitored and managed at the Sub-Funds. The framework comprises of governance, policies, and methods to:

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

The AIFM implemented standardised methods to monitor the liquidity position of the Sub-Funds and to assess near-future developments regarding liquidity, including early warning parameters.

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

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

In accordance with the Law of 2013, both the liabilities side (funding) as the asset side (market) are part of the stress tests. A-typical redemption requests of investors and loss given defaults are, amongst others, simulated in the stress tests. However, given the relative illiquid nature of the Sub-Funds' assets, the market side in terms of liquidity time and liquidity value is incorporated in a conservative manner. If deemed necessary, the AIFM may recommend to the Board to take the appropriate

measure in order to ensure the liquidity of the relevant Sub-Fund, and notably to suspend the calculation of the Net Asset Value and in consequence the issue and /or redemption of Shares.

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

The AIFM ensures compliance, in relation to the Company, with ESMA Guidelines ESMA34-39-897 on liquidity stress testing.

# Risk factors

All investments involve risks and the risks involved when investing in a Sub-Fund may vary depending on the investment policy and strategies of the Sub-Fund.

Investors must therefore be aware that the value of their investment may fall as well as rise and that past performance is not a guide to future performance. Moreover, investors may lose some or all of their investment. It is recommended that interested investors read this Prospectus carefully and consult advisors.

The risk information in this Prospectus is intended to give an overview of the main and material risks associated with the Sub-Funds.

The risk factors below do not purport to be a complete explanation of all risks involved in an investment in a Sub-Fund and other risks may also be or become relevant from time to time.

Any of these risks could cause a Sub-Fund to lose money, to perform less well than similar investments, to experience high volatility, to fail to meet its objective over any period of time, and / or to limit the ability to meet redemption requests.

The order in which the risk factors is presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to a Sub-Fund. A Sub-Fund may face a number of the risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories and each risk factor has been placed in the category deemed most appropriate, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

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

## General risks

### Cross Sub-Fund liability risk

While the provisions of the Law of 2010 provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of a

Sub-Fund may not be exposed to the liabilities of other Sub-Funds.

### Effect of redemptions risk

Large redemptions of Shares within a limited period of time could require a Sub-Fund to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Sub-fund's Net Asset Value could make it more difficult for a Sub-Fund to generate profits or recover losses. Redemption proceeds paid by a Sub-Fund to a redeeming Shareholder may be less than the Net Asset Value of such Shares at the time a redemption request is made due to fluctuations in the Net Asset Value between the date of the request and the applicable Valuation Date.

### Regulatory risk

The regulatory environment for the Company and the AIFM is evolving, and changes therein may adversely affect a Sub-Fund's ability to pursue its investment objectives. In addition, the regulatory or tax environment may be subject to modification by government or judicial action which may adversely affect the value of the investments held by a Sub-Fund. The effect of any future regulatory change on a Sub-Fund is impossible to predict.

### Risk related to the Foreign Account Tax Compliance ("FATCA") and common reporting standard ("CRS")

Under the terms of the amended Luxembourg law dated 24 July 2015 implementing the Model I Intergovernmental Agreement between Luxembourg and the United States concerning FATCA (the "FATCA Law") and the amended Luxembourg law dated 18 December 2015 implementing Directive 2014/107/EU, which is based on the OECD's Common Reporting Standard (the "CRS Law") the Company is likely to be treated as a Reporting (Foreign) Financial Institution. As such, the Company may require all the Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations. Should the Company become subject to a withholding tax and/or penalty as a result of a non-compliance under the FATCA Law and/or penalties as a result of a non-compliance under the CRS Law, the value of the Shares held by all the Shareholders may be materially affected. Furthermore, the Company may also be required to withhold tax on certain payments to its Shareholders that are not compliant with FATCA (i.e. the so-called foreign pass thru payments withholding tax obligation).



### **Legal risk**

The Sub-Funds may be subject to a number of legal risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

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

In addition, certain transactions are concluded on the basis of complex legal documents. These documents may be difficult to enforce or may be subject to dispute as to their interpretation in certain circumstances. Although the rights and obligations of the parties to a legal document may, for example, be governed by Dutch law, in certain circumstances (such as insolvency proceedings), other legal systems, for example Luxembourg law, may apply as a priority, and this can affect the enforceability of existing transactions.

### **Tax-related risk**

Any country could change its tax laws or treaties in ways that affect the Sub-Fund or its Shareholders. The Sub-Funds could suffer losses or unexpected expenses, including withholding taxes or penalties, if any of its Shares prove to be owned by an ineligible owner, or if the Sub-Fund otherwise is held to be in violation of applicable tax regimes. Tax changes potentially could be retroactive and could affect Shareholders with no direct investment in the country.

### **Global economic risk**

The Sub-Funds invest in various geographic regions. The performance of the Sub-Funds depends on the performance of the investments and may be adversely impacted by (i) turbulence, turmoil and volatility in the

financial markets, (ii) adverse economic, business and market developments and environments on a global scale or specific to the geographic regions in which the Sub-Funds invest, and (iii) local and global political events and trends, environmental developments, regulatory action, terrorism, war and civil unrest, pandemics, epidemics, health emergencies and other catastrophic events.

### **Reputational risk**

Any negative publicity in relation to the Company, the AIFM and its affiliates or the projects and transactions in which they are involved could cause disproportionate damage to their reputation, regardless whether the negative publicity is factually accurate. Such information could also be repeated or amplified by third parties, which could damage the reputation of the Company and the AIFM further. Any damage to the Company's or the AIFM's reputation may adversely affect the Sub-Funds.

### **Risks linked to investments in other UCIs**

The investment by a Sub-Fund in other UCIs may result in a duplication of some costs and expenses which will be charged to the Sub-Fund, i.e. setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, depositary bank fees, auditing and other related costs. For investors, the accumulation of these costs may cause higher costs and expenses than the costs and expenses that would have been charged to the Sub-Fund if the latter had invested directly. Furthermore, other UCIs are subject to specific risk factors, to which any Sub-Fund investing in these UCIs would be indirectly exposed.

## **Market risks**

### **Market risk**

Market risk is defined as the impact of fluctuations in market circumstances on the valuation of the investments and the cash flows of a Sub-Fund. The value of the investments of the Sub-Funds may fluctuate based on many factors such as expectations regarding economic growth, inflation and price developments of various goods and currency markets. The value of the investments can also fluctuate in response to political, monetary and other developments. Market risks differ per investment category and partly depend on the degree of diversification of investments across regions and sectors. It is possible that investment values from the entire market or certain regions and/or sectors will decrease and affect the performance of the Sub-Fund.

### **Interest rate risk**

A specific form of market risk is interest rate risk. Interest rate risk is the risk that earnings and/or capital of a Sub-Fund are negatively affected by interest rate changes in the financial markets. Interest rate risk may involve the following risks: (i) risk arising from increasing interest rates: the value of bonds, loans or other debt instruments may decrease when interest rates increase; (ii) risk arising from reinvestment: this risk may occur when a Sub-Fund cannot reinvest the cashflow received from a debt instrument to a new debt instrument with a higher or equal interest rate; (iii) risk arising from prepayment risk: the value of bonds, loans or other debt instruments can be negatively affected when loans are (partly) prepaid before the maturity date; (iv) risk arising from repayment risk: the value of bonds, loans and other debt instruments can be negatively affected when loans and / or interests cannot be repaid respectively paid.

### **Currency risk**

Another specific form of market risk is currency risk or foreign exchange rate risk. Currency risk is the risk which arises from potential movements of currency exchange rates. It is the risk which arises from the holding of assets denominated in currencies different from a Sub-Fund's base currency, and/or arising from the Sub-Fund's base currency being different from the currency's Classes of Shares. The Sub-Funds or Classes of Shares may be affected by changes in currency exchange rates between the base currency and these other currencies or by changes in regulations controlling these currency exchange rates. Currency exchange risks cannot always be hedged and the volatility of currency exchange rates to which a Sub-Fund or Class is exposed may affect the Net Asset Value of the Sub-Fund or Class.

### **Leverage risk**

If a Sub-fund borrows money or uses warrants, derivatives, or securities lending to amplify its net exposure to certain markets, rates, or other financial reference sources, it may increase a Sub-Fund's sensitivity to price changes. This will increase the exposure of the Sub-Fund's investment returns to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the Sub-Fund's investments. There is also a risk that available liquidity will be insufficient to meet required debt servicing payments and a risk that it will not be possible to refinance existing indebtedness, or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, potentially affecting the performance of the Sub-Fund.

## **Credit risks**

### **Counterparty risk**

An important risk to the Sub-Funds is credit risk. Credit risk is the risk of loss of principal or loss of a financial compensation stemming from a borrower's or other obligor's failure to repay a loan or otherwise meet a contractual obligation. Credit risk from loans arises from a combination of counterparty risk, country risk and product-specific risk. Distress or defaults (or rumours about any such distress or defaults) by any one or more of a Sub-Fund's counterparties may result in losses for the Sub-Fund. Although collateral, if available, may be taken to mitigate the risk of a counterparty default, there is a risk that collateral taken, when realised, may not generate sufficient liquidity to settle the debts of the counterparty. There can also be delays or difficulties in foreclosing on collateral. The Sub-Funds may participate in a syndicated loan issuance. Although the interconnectedness with other syndicate lenders allows the Sub-Fund to strengthen its position in restructurings, it also makes a Sub-Fund more vulnerable to contagious effects when the borrower defaults on its obligations.

### **Concentration risk - Country risk, sector risk and counterparty risk**

Concentration risk is the risk that a Sub-Fund's exposures are too concentrated within or across different countries / sectors / counterparties or a large exposure to a group of them with high correlation. The Sub-Funds concentrate their investments in certain countries (for example emerging markets and developing countries), sectors (for example renewable energy and Financial Inclusion) or counterparties. Concentration of the investments of Sub-funds in particular countries, sectors or counterparties means that those Sub-Funds may be more greatly impacted by adverse social, political or economic events, trends or developments. Any such events, trends and developments may cause significant losses on the Sub-Funds' investment portfolio.

## **Liquidity risks**

The Sub-Funds' investments are highly illiquid private investments for which no regular market exists. Liquidity risk exists when a particular instrument is difficult to purchase or sell. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the funding liquidity side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet redemption requests due to its inability to dispose of investments. Liquidity

risk can occur under normal market conditions as well as in the event of a combination of adverse market circumstances.

## **Fund-specific risks**

### **Valuation risk**

Financial instruments which are traded on a stock exchange or on a Regulated Market allow for measurement of their fair value through the availability of prices of recent transactions. The Sub-Funds primarily invest in assets that are not listed on a stock exchange or on a Regulated Market, these assets may not have readily available prices (market price) and require specific methodologies and processes to determine the Net Asset Value of the Sub-Fund. The valuation methodologies may include for instance periodic market-based data, market multiples or peer group comparisons. Investors should be aware that the valuation of the Sub-Funds' assets may therefore vary substantially from the value that will be realised at the time of exit of such assets.

### **Inflation risk**

Inflation risk is the risk that the purchasing power or the real value of a Sub-Fund's income and returns will be reduced if the value of the investments does not keep up with the inflation.

### **Equity price risk**

Equity price risk is a type of market risk that applies to investing in equity securities. Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher because the performance of equity securities depends on factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with the equity portfolio of a Sub-Fund is the risk that the value of the investments it holds will decrease and affect its performance. The sale of an equity security which has not performed as expected might involve significant mark-downs on the price or a buyer might not be found at all.

### **Sourcing risk**

A Sub-Fund may not be able to develop and maintain a robust investment pipeline and divestment plan that matches its investment policy or investment strategy. The inability of a Sub-Fund to successfully pursue potential investments and divestments may affect the Sub-Fund's performance.

### **Project risk**

When a Sub-Fund invests in a project, the fund is exposed to project risk that is associated with decreasing project value, for example as a result of unproven technology, development issues or other project factors. The Net Asset Value of the Sub-Fund would decrease in case one of these risks would materialise.

### **Operational risk**

The operations of the Sub-Fund, the AIFM or any of the service providers of the Company can be subject to inadequate or failed internal processes, human error, faulty processes / systems. Operational risks may subject the Sub-Funds to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading among other things. Operational risks may also affect settlements such as creating delays or failure of payment. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

### **People risk**

The performance of the AIFM is largely dependent on the skills and efforts of individuals. Competition in the financial services industry for qualified employees is intense. The AIFM's continued ability to compete effectively in its businesses depends on its ability to attract new employees and to retain and motivate its existing employees.

### **Cybersecurity and IT related risk**

A Sub-Fund, the AIFM or any of the service providers of the Company may be subject to risks resulting from cybersecurity incidents and/or technological malfunctions.

A cybersecurity incident is an event that may cause a loss of proprietary information, data corruption or a loss of operational capacity. Cybersecurity incidents can result from deliberate cyber-attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through hacking or malicious software coding) for the purposes of misappropriating assets or sensitive information, corrupting data, releasing confidential information without authorisation or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites, which may make network services unavailable to intended users.

Technological malfunctions may occur from factors such as processing errors, human errors, inadequate or

failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors cause by services providers. Whilst the Sub-Funds and the AIFM seek to minimise such events through controls and oversight, there may still be failures that could cause losses to the Sub-Funds.

#### **Internal control risk**

The AIFMs risk management may prove inadequate or ineffective for the risks a Sub-Fund faces, especially in extraordinary circumstances. A lack of effectiveness or circumvention of the AIFM's risk management policies may result in the manifestation of unmitigated risks (whether foreseen or not foreseen) which may adversely affect a Sub-Fund's performance.

#### **Compliance risk**

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss to reputation that the Company and/or the AIFM may suffer as a result of (changing) laws or regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its activities are not recognised or not early enough, resulting in compliance breaches. Alongside the external aspect, compliance risk also exists in relation to non-compliance or overdue compliance with internal regulations and policies. The AIFMs compliance monitoring procedures may prove inadequate or ineffective which may adversely affect the Sub-Funds.

#### **Outsourcing risk**

The operations of the Sub-Funds are carried out by the service providers mentioned in this Prospectus. In the event of default, bankruptcy or insolvency of a service provider, the Sub-Funds may experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

### **Conflict of interest risks**

The interests of the AIFM may conflict in various ways with the interests of the Sub-Funds. The AIFM and Triodos Group may engage in fund management, financing, advisory, lending, financing, or other businesses affecting the Sub-Funds. For example, the Sub-Funds may invest in an investee in which another party managed or advised by the AIFM has previously invested or may invest in the future. The AIFM has in place detailed policies and rules on avoiding and managing conflicts and perceived conflicts of interest because conflict of interest risk can occur at any time.

### **Sustainability risks**

The financial and non-financial performance of the Shares depends on the financial and non-financial performance of the investments of the Sub-Funds, which could also be adversely affected by sustainability risks. Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investments of the Sub-Funds.

Triodos Investment Management B.V. distinguishes sustainability risks into physical environmental and transition environmental risks, social risks and governance risks. Physical environmental risks refer to sustainability risks due to e.g. ecological damage, social disruption, depletion of resources, extreme weather events or gradual climate change. Transition environmental risks refer to sustainability risks resulting from required or desired changes from a societal perspective, e.g. due to policy or legal changes (including litigation claims), technological developments, market shifts, reputation issues, changing customer or community perception. Social risks arise when acute or chronic social disruption occurs related to for example human rights, labour practices, (data) privacy, diversity & inclusion, inequality, and health & safety. Governance risks relate to business ethics, corruption & political instability, and fair taxes.

To identify relevant sustainability risks of an investment, the Sub-Funds assess sustainability (ESG) factors that could result in sustainability risks in their investment decisions before investing and during investment. All investments made by the Sub-Funds are carefully screened against the Triodos Bank Minimum Standards to mitigate negative impact. Furthermore, all investments are carefully screened against relevant sustainability factors and include an assessment of the relevant physical environmental and transition environmental risks. In contrast to the screening on Triodos Bank Minimum Standards, the aim is not to minimise the risks but to assess and manage it. The risk appetite of the Sub-Fund determines the allowed level of exposure to sustainability risks and other types of risks.

The ESG factors that Triodos Investment Management B.V. currently considers range from climate change & biodiversity to human rights & inequality to corruption & political instability. It should be noted that for different Sub-Funds, strategies, markets and sectors, ESG factors differ in terms of relevance. Evidently, sustainability risks can vary from investment to investment, as can the impact of sustainability risks on the return of that investment.

For the assessment of sustainability risks, the AIFM relies on information made available by Investees and other third parties. The AIFM has no guarantee that the information provided by these parties is at all times complete, accurate and up-to-date.

Sustainability risks are context-specific, such as by geography and sector, and the AIFM can only be held accountable for the information provided in this Prospectus.

# Conflicts of interest

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

Save as otherwise provided by the law of 10 August 1915 on commercial companies, as amended, any director of the Company who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Board of Directors, must inform the Board of Directors of such conflict of interest and must have his declaration recorded in the minutes of the Board of Directors meeting. The relevant director may not take part in the discussions relating to such transaction or vote on such transaction. Any such conflict of interest must be reported to the next general meeting of Shareholders prior to such meeting taking any resolution on any other item. The conflict of interest rules shall not apply where the decision of the Board of Directors relates to day-to-day transactions entered into under normal conditions.

The AIFM shall act in the best interests of the Company. Any possible conflict of interest will be flagged and monitored, to safeguard the interest of all parties involved. The AIFM shall take all reasonable steps to identify and prevent potential conflicts of interest and to manage and monitor conflicts of interest that may arise between the Company, the AIFM and/or any company within the Triodos Group. The AIFM shall immediately inform the Company of any aforementioned potential conflict of interest and generally of any circumstance where the Company would participate in a transaction in which the AIFM or any of its affiliates have directly or indirectly a material interest or a relationship with another party which may involve a conflict with the AIFM's duty to the Company. Any such transaction will be specifically reported in the Company's annual report.

The AIFM may also act as the alternative investment fund manager for and/or provide other regulated services to other companies within the Triodos Group that have investment programmes that are similar to the Company's. Such relation may give rise to conflicts of interest.

Where conflicts of interest cannot be avoided and there exists a risk of damage to Shareholders' interests, the AIFM shall inform the Shareholders of the general nature or causes of the conflicts of interest and develop appropriate policies and procedures in order to mitigate

such conflicts while ensuring equal treatment between the Shareholders and ensuring that the Company is treated in an equitable manner. Such information will be disclosed on the following website:

[www.triodos-im.com](http://www.triodos-im.com).

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

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

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

# Net Asset Value

## Valuation Date

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

## Reference Currency

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

## Net Asset Value

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

The Net Asset Value per Share of each Class of Shares for each Sub-Fund is determined by dividing the net assets of the relevant Sub-Fund attributable to each Class of Shares, being the value of the portion of assets less the portion of liabilities attributable to such Class, on any such Valuation Date by the number of Shares in the relevant Class then outstanding, in accordance with the valuation rules set forth below. The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant currency as the Board of Directors shall determine. If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Class of Shares are dealt in or quoted, the Company may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation and carry out a second valuation, in which case all relevant subscription and redemption requests will be dealt with on the basis of that second valuation.

In the event that the Sub-Fund has hedged the foreign currency exposure of any Class of Shares denominated in a currency other than the Reference Currency of the relevant Sub-Fund, the costs and any benefit of such hedging will be allocated solely to the relevant Class of Shares to which the hedging relates. The Net Asset Value of a Sub-Fund will be expressed in the Reference Currency of the Sub-Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class of Shares or in a specific case.

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

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

The Company's Net Asset Value shall be equal at all times to the total net asset value of all its Sub-Funds.

The general rules for valuation of the assets are listed below. Specific rules and/or additional details may be specified in the relevant Sub-Fund Particulars of the concerned Sub-Fund. All financial statements are in accordance with International Standards on Auditing as adopted for Luxembourg.

- a) The valuation of private equity investments (such as equity, subordinated debt and other types of mezzanine finance) is based on the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, as published from time to time by the IPEV Board, and is conducted with prudence and in good faith.
- b) Senior debt instruments, invested in / granted to companies not listed or dealt in on any stock exchange or any other Regulated Market, will be valued at fair market value, deemed to be the nominal value, increased by any interest accrued thereon; such value will be adjusted, if appropriate, to reflect the appraisal of the AIFM on the creditworthiness of the relevant debtor. The AIFM will use its best effort to continually assess this method of valuation and make changes, where necessary, to ensure that debt instruments will be valued at their fair value as determined in good faith by the AIFM.

- c) The value of money market instruments not listed on any stock exchange or dealt in on any other Regulated Market and with a remaining maturity of less than 12 months is deemed to be the nominal value thereof, increased by any interest accrued thereon.
  - d) The value of securities which are admitted to official listing on any stock exchange shall be based on the latest available price or, if appropriate, on the average price on the stock exchange which is normally the principal market of such securities, and each security dealt on any other Regulated Market shall be based on the last available price. In the event that, this price is, in the opinion of the AIFM, not representative of the fair market value of such securities, for example in the case of illiquid securities and/or stale prices, the AIFM will value the securities at fair market value according to their best judgment and information available to them at that time.
  - e) Units or shares of undertakings for collective investment in transferable securities (“UCITS”) and/or undertakings for collective investment (“UCIs”) will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined on a fair and equitable basis. Units or shares of closed-ended UCIs will be valued at their available stock market value.
  - f) The liquidating value of futures, forward or options contracts not admitted to official listing on any stock exchange or dealt on any other Regulated Market shall mean their net liquidating value determined, pursuant to the policies established prudently and in good faith by the AIFM, on a basis consistently applied for each different variety of contracts.
  - g) The value of any cash at hand or on deposit, bills and demand notes and accounts receivable, prepaid expense, cash dividends declared and interest accrued, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discounts as the AIFM may consider appropriate to reflect the true value thereof.
  - h) Swaps, as far as credit swaps are concerned, will be valued at fair market values as determined prudently and in good faith by the AIFM.
  - i) All other securities and assets will be valued at fair market value as determined in good faith pursuant to procedures established by the AIFM.
- In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the AIFM is authorised, prudently and in good faith, to follow other rules in accordance with procedures approved by the Auditors, in order to achieve a fair valuation of its assets.
- The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund or Class of Shares will be converted into the Reference Currency of such Sub-Fund or Class of Shares at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.
- 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.
- With respect to the protection of Shareholders in case of Net Asset Value calculation error and the correction of the consequences resulting from non-compliance with the investment rules applicable to the Company, the Company intends to comply with the principles and rules set out in Circular CSSF 24/856, as amended or restated from time to time, subject to the different tolerance threshold applicable for Net Asset Value calculation errors in the Sub-Fund Particulars for each relevant Sub-Fund.

### **Temporary suspension of calculation of Net Asset Value**

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

- a) when any exchange or Regulated Market that supplies the price of the assets of the Company or a Sub-Fund is closed otherwise than for ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- b) when the information or calculation sources normally used to determine the value of the assets of the Company or a Sub-Fund are unavailable;



- c) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of the Company or a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
  - d) when exchange, capital transfer or other restrictions prevent the execution of transactions of the Company or a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
  - e) when exchange, capital transfer or other restrictions prevent the repatriation of assets of the Company or a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
  - f) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevents the Company from being able to manage the assets of the Company or a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
  - g) when there is a suspension of the Net Asset Value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which the Company or a Sub-Fund is invested;
  - h) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a master fund in which the Company or a Sub-Fund invests as a feeder fund;
  - i) when, for any other reason, the prices or values of the assets of the Company or a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Company or a Sub-Fund in the usual way and/or without materially prejudicing the interests of shareholders;
  - j) in the event of a notice to Shareholders convening an extraordinary general meeting of Shareholders for the purpose of dissolving and liquidating the Company or informing them about the termination and liquidation of a Sub-Fund or Class of Shares, and more generally, during the process of liquidation of the Company, a Sub-Fund or Class of Shares;
  - k) during the process of establishing exchange ratios in the context of a merger, a contribution of assets,
- an asset or share split or any other restructuring transaction;
  - l) during any period when the dealing of the shares of the Company or Sub-Fund or Class of Shares on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
  - m) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Company, a Sub-Fund or Class of Shares, in compliance with the principle of fair treatment of Shareholders in their best interests.
- In the event of exceptional circumstances which could adversely affect the interests of the Shareholders or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Class of Shares, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Class of Shares only after the Company has completed the necessary investments or disinvestments in securities or other assets for the Sub-Fund or Class of Shares concerned.
- The suspension of the calculation of the Net Asset Value and/or, where applicable, of the issue, redemption and/or conversion of Shares, shall be published and/or communicated to shareholders as required by applicable laws and regulations.
- The suspension of the calculation of the Net Asset Value and/or, where applicable, of the issue, redemption and/or conversion of shares in any Sub-Fund or Class of Shares shall have no effect on the calculation of the Net Asset Value and/or, where applicable, of the issue, redemption and/or conversion of shares in any other Sub-Fund or Class of Shares.
- 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.

### **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

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

The Shares of 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.

Shares of the Company shall be issued in registered form only.

The Company may decide to issue fractional Shares. Such fractional Shares shall not be entitled to vote but shall be entitled to participate in the net assets attributable to the relevant Class of Shares on a pro rata basis. If the sum of the fractional shares so held by the same Shareholder in the same Class of Shares represents one or more entire Share(s), such Shareholder benefits from the corresponding voting right.

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.

Ownership of Shares is established by registration in said Share register. Certificates of such registration shall be issued upon request and at the expense of the relevant Shareholder.

Any transfer of registered Shares shall become effective (opposable) towards the Company and third parties (i) through a declaration of transfer recorded in the register of Shares, signed and dated by the transferor and transferee or their representatives, or (ii) upon notification of the transfer to, or upon the acceptance of the transfer by the Company. 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. Each Class of Shares may be either hedged (see below for further details) or unhedged. A hedged Class of Shares will have the same characteristics as an unhedged Class.

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.

## Currency hedged Classes

For all Classes of Shares not expressed in the relevant Reference Currency of the Sub-Fund, where hedging is undertaken, the Company may engage, for the exclusive account of such Class of Shares, in currency forwards, currency futures, currency option transactions and currency swaps in order to preserve the value of the Reference Currency of the Class of Share against the Reference Currency of the Sub-Fund.

The performance of hedged Classes of Shares aims to be similar to the performance of equivalent Classes of Shares in the Reference Currency. There is no assurance however that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value per Share and, therefore, in the performance of such additional Class of Share. Similarly, any expenses arising from such hedging transactions will be borne by the Class of Share in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Reference Currency of the Class of Share is declining or increasing in value relative to the relevant Reference Currency of the Sub-Fund

and so, where such hedging is undertaken it may substantially protect Shareholders in the relevant Class of Share against a decrease in the value of the Reference Currency of the Sub-Fund relative to the Reference Currency of the Class of Share, but it may also preclude Shareholders from benefiting from an increase in the value of the Reference Currency of the Sub-Fund.

# Issue of Shares, subscription and payment procedure

## Issue of shares

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

## Initial subscription

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

## Issue of Shares after the Initial Subscription Period

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

Subscription prices are based on the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub-Fund.

Investors should note that Sub-Distributors and/or other selling agents or other financial intermediaries might charge additional charges for services provided by them to investors, for their benefit. The precise amount of these additional charges can be obtained from the relevant Sub-Distributor, selling agent or financial intermediary.

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

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

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

## Restriction on ownership of Shares

The Company may restrict or prevent the legal or beneficial ownership of shares or prohibit certain practices as disclosed in this Prospectus such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of these articles of association, the Prospectus or law or regulations of any jurisdiction, or (ii) require the Company, its AIFM or its investment manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its shares, whether in the United States of America or any other jurisdiction;

or (iii) may cause the Company, its AIFM, its investment managers or shareholders any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (such person being herein referred to as “Prohibited Persons”). In addition, a Prohibited Person shall also include any person (individual, corporation, partnership or other entity) which holds more than 7.5% of the shares of any Sub-Fund at the time of issue, or any time thereafter without written authorisation by the Board of Directors.

In particular, the Board of Directors has resolved to issue Class “I”, Class “I-II”, Class “EUR-I”, Class “K-Institutional” and Class “CH-Institutional” Shares to Institutional Investors only, and Class “P” Shares to entities of the Triodos Group. The Board of Directors may issue any of these Classes of Shares in any currencies. Ownership of Shares by U.S. Persons is subject to the approval of the Board of Directors.

## Contributions in kind

Unless expressly prohibited in the Sub-Fund Particulars, the Company may, if a prospective Shareholder requests and the Board of Directors so agrees, satisfy any application for subscription of Shares which is proposed to be made by way of contribution in kind. The nature and type of assets to be accepted in any such case shall be determined by the Board of Directors and must correspond to the investment policy and restrictions of the Company or the Sub-Fund being invested in. A report relating to the contributed assets must be delivered to the Company by an independent auditor (réviseur d’entreprises agréé). All costs associated with such contribution in kind shall be borne by the Shareholder making the contribution, or by such other third party as agreed by the Company or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.

## Payment procedure

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

exchange transaction until cleared funds have been received.

## General provisions

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

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

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

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

# Redemption of Shares

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

Thus, unless otherwise specified in the relevant Sub-Fund Particulars for the relevant Sub-Fund, any Shareholder of the Company may ask for the redemption of all or part of his Shares, subject to the restrictions as stated in the Prospectus and the relevant Sub-Fund Particulars. The Shareholders may do so by fax or by letter to the Distributor or Sub-Distributor or the Registrar and Transfer Agent. The Company may also decide that applications for redemptions may be made by electronic or other means. The application for redemption must include the name of the Shareholder, the Sub-Fund, the Class of Shares and the number of Shares to be redeemed and indicate the address to which payment should be sent.

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

Different redemption procedures and time limits may apply if applications for redemption are made through a Sub-Distributor. In such instances, the Sub-Distributor will inform the applicant of the redemption procedure relevant to that applicant, together with any time limit by which the application must be received. No Sub-Distributor is permitted to withhold redemption orders received to benefit itself from a price change. Investors should note that they may be unable to redeem Shares through a Sub-Distributor on days that such Sub-Distributor is not open for business.

Shares shall be redeemed on the basis of the Net Asset Value of the relevant Sub-Fund less any redemption costs as indicated in the relevant Sub-Fund Particulars.

Investors should note that Sub-Distributors and/or other selling agents or other financial intermediaries might charge additional charges for services provided by them to investors, for their benefit. The precise amount of these additional charges can be obtained from the relevant Sub-Distributor, selling agent or financial intermediary.

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. When there is insufficient liquidity or in other exceptional circumstances, the Board of Directors reserves the right to postpone the payment of redemption proceeds.

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

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

All redeemed shares may be cancelled.

## Compulsory redemption

If it shall come to the attention of the Company at any time that Shares are beneficially owned by a Prohibited Person, either alone or in conjunction with any other person, and the Prohibited Person fails to comply with the direction of the Company to sell his Shares and to provide the Company with evidence of such sale within thirty days of being so directed by the Company, the Company may at its discretion compulsorily redeem such Shares at their redemption price in accordance with the Articles. Immediately after the close of business specified in the notice given by the Company to the

Prohibited Person of such compulsory redemption, the Shares will be redeemed and such investors will cease to be the owners of such Shares. The Company may require any Shareholder or prospective Shareholder to furnish it with any information, which it may consider necessary for the purpose of determining whether or not the beneficial owner of such Shares is or will be a Prohibited Person.

The Company reserves the right to require the relevant Shareholders to indemnify the Company against any losses, costs or expenses arising as a result of any compulsory redemption of Shares due to the Shares being held by, on behalf or for the account or for the benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the requested representations, warranties or information in a timely manner. The Company may pay such losses, costs or expenses out of the proceeds of any compulsory redemption and/or redeem all or part of the relevant Shareholders' Shares in order to pay for such losses, costs or expenses.

### **Procedures for redemptions in excess of the available liquidities**

If the Company receives individual and/or aggregate redemption requests in excess of the available liquidities of any one semi open-ended Sub-Fund, the Company may reserve the right to decide that part or all of such redemption requests will be deferred proportionally to successive Valuation Dates, until the deferred portion of such redemption requests have been fully redeemed. This implies that redemption requests can be redeemed on a pro-rata basis on any Valuation Date after such application for redemption has been received until it has been redeemed in full.

During this process, redemption and/or conversion requests which have not been dealt with because of a deferral will be given priority for the next Valuation Date following such deferral and, if necessary, subsequent Valuation Date(s).

Redemption requests which have not been dealt with because of a postponement will be given priority for the next Valuation Date following such postponement but within ten Business Days of the receipt of such requests.

Redemption requests of which the settlement is deferred shall be paid in proportion to the value at the time of the relevant redemption requests.

The settlement of these redemption requests will be met in priority to later requests.

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.

### **Redemption requests beyond minimum level of assets**

If with respect to any given Valuation Date, redemption requests amount to the total number of Shares in issue in any Class(es) of Shares or Sub-Funds or if the remaining number of Shares in issue in that Sub-Fund or Class of Shares after such redemptions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Class of Shares to be operated in an efficient manner, the Board of Directors may decide to terminate and liquidate the Sub-Fund or Class of Shares in accordance with the Articles. For the purpose of determining the redemption price, the calculation of the Net Asset value per share of the relevant Sub-Funds or Class(es) of Shares shall take into consideration all liabilities that will be incurred in terminating and liquidating said Class(es) of Shares or Sub-Funds.

### **Redemption in kind**

The Company shall have the right, if the Board of Directors so determines, to satisfy in kind the payment of the redemption price to any Shareholder who agrees by allocating to the Shareholder investments from the portfolio of assets of the Company or the relevant Sub-Fund(s) equal to the value of the Shares to be redeemed. The assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the Company or the relevant Sub-Fund(s) and the valuation used shall be confirmed by a special report of an independent auditor (*réviseur d'entreprises agréé*). All costs associated with a redemption in kind shall be borne, by the Shareholder requesting the redemption or by such other party as agreed by the Company or in any other way which the Board of Directors considers fair to all Shareholders of the Sub-Fund.

# Conversion of Shares

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.

Conversion requests may not be accepted until any previous transaction involving the Shares to be converted has been fully settled.



# Charges and expenses

## General

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

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

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

If and when Sub-Funds are created, costs related to their creation will be allocated to the said Sub-Fund and, where applicable, amortised in proportion to their Net Assets over a maximum period of five years. The newly created Sub-Funds shall not bear a pro-rata of the costs and expenses incurred in connection with the

formation of the Company and the initial issue of Shares, which have not already been amortised at the time of the creation of the new Sub-Funds. The maximum formation expenses will be described in the Sub-Fund Particulars. The Board of Directors will approve the total formation expenses.

## Management fees

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

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

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

## Duplication of fees

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

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

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

# Distribution policy

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 will be deposited, in accordance with applicable laws and regulations, in escrow at the “Caisse de Consignation” on behalf of the persons entitled thereto. Proceeds not claimed within the statutory period will be forfeited in accordance with laws and regulations.

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

# Taxation

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

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally 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*) and personal income tax (*impôt sur le revenu*). 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, net wealth 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

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payments made by the Company to its Shareholders. There is also no withholding tax on distribution of liquidation proceeds to the Shareholders.

### 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"). VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Company to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, 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 EUR 75 if such issue implies an amendment to the Articles.

The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable.

Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. As the Company is structured as an investment company, certain double tax treaties signed by Luxembourg may directly be applicable to the Company.

## Taxation of the Shareholders

It is expected that Shareholders will be resident for tax purposes in many different countries. Consequently, except as set out below, no attempt is made in this Prospectus to summarise 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 subscription, the holding and/or the disposal 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 realised 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 realised 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 realised 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 realised 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 (capital) gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable (capital) 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.

#### 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) specialised investment funds governed by the amended law of 13 February 2007 (iii) reserved alternative investment funds (falling under the regime of a specialised investment funds) governed by the amended law of 23 July 2016 and (iv) family wealth management companies governed by the amended 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 realised 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 or whom the Shares are attributable, must include any income received, as well

as any gain realised 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 or whom 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) an undertaking for collective investment governed by the Law of 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007 or (vi) a family wealth management company governed by the amended law of 11 May 2007, (vii) a professional pension institution governed by the amended law dated 13 July 2005, or (viii) a reserved alternative investment fund governed by the amended law of 23 July 2016.

However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law dated 13 July 2005, as well as (iv) an opaque reserved alternative investment fund (opting for the treatment as a venture capital vehicle) governed by the amended law of 23 July 2016 remain subject to a minimum net worth tax.

#### **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 at the time of his/her death.

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.

## **Exchange of Information**

### **FATCA**

Capitalised terms used in this section should have the meaning as set forth in the FATCA Law (as defined above), unless provided otherwise herein.

The Company is subject to the FATCA Law which generally requires reporting to the US Internal Revenue Services of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons (within the meaning of FATCA) of non-US entities.

As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions, which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA. Luxembourg has entered into a Model I Intergovernmental Agreement (“IGA”), which requires Foreign Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by US Specified Persons, if any, to the Luxembourg tax authorities (*Administration des contributions directes*). The FATCA Law implemented the IGA into Luxembourg law.

Under the terms of the FATCA Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution for FATCA purposes.

This status imposes on the Company the obligation to regularly obtain and verify information on all of its Shareholders. On the request of the Company, each Shareholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity (“NFFE”), information of the Controlling Persons of such NFFEs, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Company within thirty days any information that would affect its status, such as for instance a new mailing address or a new residency address. If the Company has a reason to know that information at its disposal is incorrect or that there is a change of circumstances, then the Company has to make reasonable efforts to obtain reliable and valid information and/or documentation about its Shareholders and NFFE controlling persons.

The FATCA Law may require the Company to disclose the names, addresses and taxpayer identification numbers (if available) of the Shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities under the terms of the FATCA Law. Such information will

be relayed by the Luxembourg tax authorities to the US Internal Revenue Services.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Company.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has the right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the applicable data protection legislation.

As of 1 January 2021, it is the Company's obligation to keep records of the actions taken ('Record of steps document'), the evidence used to ensure the execution of the declaration and due diligence procedures for ten years after the end of the calendar year during which it is required to communicate the information referred in the FATCA Law.

Although the Company will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. The failure of the Company to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes and/or penalties imposed on the Company as a result of such Shareholder's failure to provide the information and the Company may, at its sole discretion, redeem the Shares of such Shareholder. Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime. Shareholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

### **CRS**

Capitalised terms used in this section should have the meaning as set forth in the CRS Law (as defined in the section "Risk factors"), unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which provides for an automatic exchange of financial account information between Member States ("DAC Directive"). The adoption of the aforementioned directive implements the OECD's common reporting standard ("CRS") and generalises the automatic exchange of information as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS, in Luxembourg law.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Company will be required to annually report to the Luxembourg tax authorities, personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of passive non-financial entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "CRS Information"), will include personal data related to the Reportable Persons.

Additionally, the Company is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Company are to be processed in accordance with the applicable data protection legislation. The Company will remain in any case responsible for its due diligence obligations towards its Shareholder and can be liable for penalties attributable to such Shareholder's failure to provide the information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the CRS Information, along with the required supporting documentary evidence (i.e. the Company must obtain a valid self-certification and confirm its credibility by relying on KYC information).

Upon request of the Company, each Shareholder shall agree to provide the Company such CRS Information. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the CRS Information for the purposes as set out in the CRS Law.

Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their CRS Information by the Company.

The Shareholders are further informed that the CRS Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data not be accurate. The Shareholders further undertake to immediately inform the Company of, and provide the Company with, all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes.

As of 1 January 2021, it is the Company's obligation to keep records of the actions taken ('Record of steps document'), the evidence used to ensure the execution of the declaration and due diligence procedures for ten years after the end of the calendar year during which it is required to communicate the information referred in the CRS Law.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a penalty as result of the CRS Law, the value of the Shares held by the investors may suffer material losses.

Any Shareholder that fails to comply with the Company's CRS Information or documentation requests may be charged with any fines or penalties imposed on the Company attributable to such Shareholder's failure to provide the CRS Information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

# General information

## 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 Board of Directors adheres to the principles of the ALFI Code of Conduct for Luxembourg Investment Funds.

## The AIFM

Pursuant to the AIFM Agreement, the Board of Directors has appointed Triodos Investment Management B.V. as external AIFM within the meaning of article 4 of the Law of 2013. Triodos Investment Management B.V. is a company incorporated under the laws of the Netherlands on 12 December 2000, which may, subject to the approval of the Board of Directors and subject to compliance with the AIFMD and the AIFMR, delegate some of its powers, in which case the Prospectus will be updated or supplemented accordingly.

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

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

The AIFM will receive a fee for its services payable out of the assets of each Sub-Fund, as specified in the Sub-Fund Particulars for such Sub-Fund. Prospective investors should be aware that, where permitted by

applicable law and regulation, the AIFM and its affiliates may elect to share part or all of the fee received by them with investors or distributors of the Company. The AIFM may also receive performance fees in respect of certain Sub-Funds as described in the relevant Sub-Fund Particulars.

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

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

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

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

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

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

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



“Triodos” and not including any brand name of any company within Triodos Group.

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

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

#### **Sustainability policy of the AIFM**

The investment philosophy of the AIFM is to pursue sustainable investments that achieve the right balance between their financial and sustainability performance. As the world is confronted with an increasing number of challenges, such as unstable social systems, inequality, natural resource scarcity, climate change and loss of biodiversity, the AIFM provides investment solutions that address these challenges and contribute to positive change. The AIFM has developed strict sustainability standards (the Triodos Bank Minimum Standards) for its investments.

#### **Fair Treatment of Shareholders**

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

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

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

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

#### **Voting Rights Policy – Best Execution Policy**

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

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

#### **Inducements**

The AIFM shall not pay or be paid any fee or commission, or provide or be provided with any non-monetary benefit in relation to the activities performed when carrying out the functions referred to in Annex I to Directive 2011/61/EU, other than the following:

- a) a fee, commission or non-monetary benefit paid or provided to or by the Company or a person on behalf of the Company;
- b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the AIFM can demonstrate that the following conditions are satisfied:
  - i. the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, is clearly disclosed to Shareholders in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
  - ii. the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the AIFM’s duty to act in the best interests of the Company and the Shareholders;

- c) proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, do not give rise to conflicts with the AIFM's duties to act honestly, fairly and in accordance with the best interests of the Company or its Shareholder.

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

## The Depositary and Paying Agent

CACEIS Bank, Luxembourg Branch is acting as the depositary of the Company in accordance with a depositary agreement dated 22 July 2014 as amended from time to time (the "Depositary and Principal Paying Agent Agreement") and the relevant provisions of the Law of 2010, the Law of 2013 and AIFMR, and any other applicable laws.

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Shareholders are invited to consult, upon request at the registered office of the Company, the Depositary Bank and Principal Paying Agent Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping of the Company's assets, and it shall fulfil the obligations and duties provided for by the Law of 2010, the Law of 2013 and AIFMR. In particular, the Depositary shall ensure an effective and proper monitoring of the Company's cash flows in accordance with the Law of 2010, the Law of 2013 and AIFMR and the Depositary Bank and Principal Paying Agent Agreement.

In due compliance with the AIFM Rules (including but not limited to Article 21.9 of the AIFMD and Articles 92 to 97 of the AIFMR), the Depositary shall:

- i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with the Law of 2010, the Law of 2013, and AIFMR and the Company's Articles and Prospectus;
- ii) ensure that the value of the Shares is calculated in accordance with the Law of 2010, the Law of 2013, and AIFMR and the Company's Articles and Prospectus;
- iii) carry out the instructions of the Company, unless they conflict with the Law of 2010, the Law of 2013, and AIFMR or the Company's Articles and Prospectus;
- iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- v) ensure that the Company's income is applied in accordance with the Law of 2010, the Law of 2013, and AIFMR and the Company's Articles and Prospectus.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the Law of 2010, the Law of 2013, and the AIFMR, or any other applicable laws, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to a third party as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law of 2010 and the Law of 2013. In particular, under the conditions laid down in article 19(14) of the Law of 2013, including the condition that the Shareholders have been duly informed of that discharge and of the circumstances justifying the discharge prior to their investment, the Depositary can discharge itself of liability in the case where the law of a third country requires that certain financial instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements laid down in article 19(11) point (d)(ii) of the Law of 2010 and the Law of 2013.

The Company and the Depositary may terminate the Depositary Bank and Principal Paying Agent Agreement at any time by giving ninety (90) days' notice in writing. The Company may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities

until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

#### **Depositary's conflicts of interests**

Reference is further made to section "Conflicts of interest" above.

From time-to-time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depositary analyses, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the conflicts of interest policy of CACEIS Bank, Luxembourg Branch.

The Depositary, in carrying out its role as depositary of the Company, must act solely in the interest of the Company and the Shareholders. The Depositary will ensure that where:

- i) any conflicts of interest arise between it and the Company, the Shareholders or the AIFM, the performance of its depositary tasks is functionally and hierarchically separate from its other potentially conflicting tasks; and
- ii) any conflicts of interest arise between the delegate and the Company, the Shareholders or the AIFM, the performance of the custody tasks is functionally and hierarchically separate from the delegate's other potentially conflicting tasks. The Depositary will at all times have regard to its obligations under applicable laws.

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

with the third parties to whom the custody function has been delegated.

An up-to-date information on conflicts of interest policy referred to above may be obtained from the Depositary.

## **Administrative Agent**

Pursuant to an agreement dated 22 July 2014, as amended from time to time, CACEIS Bank, Luxembourg Branch has been appointed by the Company as UCI administrator of the Company. This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of 90 days' notice. It may further be terminated forthwith by the Company when it is in the interests of the Shareholders.

As the UCI administrator, CACEIS Bank, Luxembourg Branch performs the registrar function, the calculation of the Net Asset Value per Share and accounting function, the client communication function as well as the maintenance of records and other general administrative functions.

As part of its registrar function, CACEIS Bank, Luxembourg Branch 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.

## **Domiciliary and Corporate Agent**

CACEIS Bank, Luxembourg Branch is also acting as the domiciliary and corporate agent of the Company. In such capacities, it will be primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for the account of the Company, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Company. The rights and duties of the Domiciliary Agent are governed by a Domiciliary and Corporate Agency Agreement dated 22 July 2014 as amended from time to time. This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of 90 days' notice.

## Transmission of information by CACEIS Bank, Luxembourg Branch

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular Registrar and Transfer Agent activities including shareholders and investor services, with other entities of the group CACEIS, located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the Shareholder, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Company, which will communicate this information to the Shareholders. The Company will communicate to the Shareholders any material changes to the information disclosed in this paragraph prior to their implementation.

The list of countries where the group CACEIS is located is available on the Internet site [www.caceis.com](http://www.caceis.com). Please be aware that this list could change over time.

## The Distributors

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

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

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

Applicants may elect, but are not obliged (except in certain circumstances), to make use of such financial intermediary service pursuant to which the financial intermediary 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 financial intermediary is mandatory) and who, in order to empower the financial intermediary to vote at any general meeting of Shareholders, shall provide the financial intermediary with specific or general voting instructions to that effect. Applicants retain the ability to directly invest in the Company without using a financial intermediary service, unless the use of such service is mandatory.

The Company draws the Shareholders' attention to the fact that, where an end-investor invests in a Sub-Fund through a financial intermediary, it may not always be possible for the end-investor (i) to exercise certain shareholder rights, such as the right to participate in general meetings of Shareholders, directly against the Company or (ii) to be indemnified in case of Net Asset Value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Company in accordance with Circular CSSF 24/856.

## The Auditors

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

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

The 1980 Rome Convention on the Law Applicable to Contractual Obligations (other than Article 7(1)), Regulation (EC) 593/2008 (Rome I) (the "Rome I Regulation") and Regulation (EC) 864/2007 (Rome II) (the "Rome II Regulation"), all have force of law in Luxembourg (together the "Rome Regulations").

Accordingly, the choice of a governing law in any given agreement is subject to the provisions of the Rome Regulations. Under the Rome I Regulation, the courts of Luxembourg may apply any rule of Luxembourg law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if:

- a) the foreign law was not pleaded and proved; or
- b) if pleaded and proved, such foreign law would be contrary to (i) the public policy of the forum, (ii) the overriding mandatory provisions of the law of the forum, (iii) the provisions of the law of a country which cannot be derogated from by agreement,

where matters are connected with such country only, (iv) the provisions of Community law which cannot be derogated from by agreement, where matters are connected with the EU only and (v) the overriding mandatory provisions of the law of the country where the obligations arising out of the contract have to be or have been performed, in so far as those overriding mandatory provisions render the performance of the contract unlawful.

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

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

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

## **Investors' rights against service providers**

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

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

## **Dissolution and liquidation of the Company**

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

Whenever the share capital falls below two-thirds of the minimum capital of EUR 1,250,000, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting.

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

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

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

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

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law of 2010, which specify the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provide for a deposit in escrow at the "Caisse de Consignations" at the time of the close of liquidation. Liquidation proceeds which have not been claimed by shareholders at the time of the closure of the liquidation shall be deposited in escrow at the "Caisse de Consignation" in Luxembourg. Proceeds not claimed within the statutory period shall be forfeited in accordance with applicable laws and regulations.

## Termination of Sub-Funds or Classes of Shares

In the event that, for any reason, the Board of Directors determines that (i) the value of the net assets in any Sub-Fund or the value of the net assets of any Class of Shares within a Sub-Fund has decreased to, or has not reached, the minimum level for that Sub-Fund or Class of Shares to be managed and/or administered in an efficient manner, or (ii) changes in the legal, economic or political environment would justify the termination of such Sub-Fund or of such Class of Shares, or (iii) a product rationalisation or any other reason would justify the termination of such Sub-Fund or of such Class of Shares, the Board of Directors may decide to redeem all the shares of the relevant class or classes at the net asset value per share (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Date at which such decision shall take effect.

The Company shall inform the holders of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption by way of a notice and/or in any other way as required or permitted by applicable laws and regulations. The notice will indicate the reasons for and the process of the termination and liquidation.

Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Sub-Fund or of the Class of Shares concerned may continue to request redemption or conversion of their shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the date effective for the compulsory redemption, unless the Board of Directors determines that it would not be in the best interests of the shareholders in that Sub-Fund or Class of Shares or could jeopardise the fair treatment of the shareholders. Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the net asset value applicable to such compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraphs, the general meeting of shareholders of any one or all classes of shares issued in any Sub-Fund will, in any other circumstances, have the power, upon proposal from the Board of Directors, to redeem all the shares of the relevant class or classes and refund to the shareholders the net asset value of their shares (taking into account actual realisation prices of investments and realisation 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. The convening notice to the general meeting of shareholders of the Sub-Fund or Class of Shares will indicate the reasons for and the process of the proposed termination and liquidation.

Redemption proceeds which have not been claimed by the shareholders upon the compulsory redemption will be deposited, in accordance with applicable laws and regulations, in escrow at the “Caisse de Consignation” on behalf of the persons entitled thereto. Proceeds not claimed within the statutory period will be forfeited in accordance with laws and regulations.

All redeemed shares may be cancelled.

The termination and liquidation of a Sub-Fund or Class of Shares shall have no influence on the existence of any other Sub-Fund or Class of Shares. The decision to terminate and liquidate the last Sub-Fund existing in the Company will result in the dissolution and liquidation of the Company.

## Merger of the Company or Sub-Funds thereof

In the event that, for any reason, the Board of Directors determines that (i) the net asset value of any Sub-Fund has decreased to, or has not reached, the minimum level for that Sub-Fund to be managed and/or administered in an efficient manner, or (ii) changes in the legal, economic or political environment would justify such merger, or (iii) a product rationalisation or any other reason would justify such merger, the Board of Directors may decide to merge, in accordance with applicable laws and regulations, the Company or any Sub-Fund of the Company (the “Merging Entity”) with (i) another Sub-Fund of the Company, or (ii) a Luxembourg specialised investment fund organised under the law of 13 February 2007 relating to specialised investment funds, as amended (the “2007 Law”) or sub-fund thereof, or (iii) another Luxembourg UCI, or sub-fund thereof, or (iv) another foreign undertaking for collective investment or sub-fund thereof (the “Receiving Entity”), by transferring the assets and liabilities from the Merging Entity to the Receiving Entity, or by allocating the assets of the Merging Entity to the assets of the Receiving Entity, or by any other method of merger, amalgamation or reorganisation, as may be applicable, and, following a split or consolidation, if necessary, and the payment to shareholders of the amount corresponding to any fractional entitlement, by re-designating the shares of the Merging Entity as shares of the Receiving Entity, or

by any other method of reorganisation or exchange of shares, as may be applicable.

Such decision will be published to shareholders of the Merging Entity by way of a notice (which will indicate the reasons for and the process of the merger) and/or in any other way as required or permitted by applicable laws and regulations one month before it becomes effective (and, in addition, the publication will contain information in relation to the Receiving Entity), in order to enable shareholders of the Merging Entity to request redemption of their shares, free of charge, during such period. Subject to applicable laws and regulations, shareholders of the Merging Entity who have not requested redemption will be transferred to the Receiving Entity.

Such a merger does not require the prior consent of the shareholders except where the Company is the Merging Entity which, thus, ceases to exist as a result of the merger; in such case, the general meeting of shareholders of the Company must decide on the merger and its effective date. Such general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

The Board of Directors may decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Company or one or several Sub-Funds of (i) a Luxembourg specialised investment fund organised under the 2007 Law or sub-fund thereof, or (ii) another Luxembourg UCI, as amended, or sub-fund thereof, or (iii) another foreign undertaking for collective investment or sub-fund thereof (the "Absorbed Entity"). The exchange ratio between the relevant shares of the Company and the shares or units of the Absorbed Entity will be calculated on the basis of the relevant net asset value per share or unit as of the effective date of the absorption.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraphs, the general meeting of shareholders, as the case may be, of the Company, a Sub-Fund, may also decide on such merger or absorption and have the Company perform the necessary transfers, allocations, merger, amalgamation, absorption, re-designations and/or exchanges or other methods of reorganisation or exchange. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

Special approval and/or majority requirements may apply in compliance with applicable laws and regulations where the Merging Entity shall be merged into a foreign

Receiving Entity, or into a Receiving Entity which is not of the corporate type (*fonds commun de placement* or foreign equivalent).

Under the same conditions and procedure as for a merger, the Board of Directors may decide to reorganise a Sub-Fund by means of a division into two or more Sub-Funds.

## Reorganisation of Classes of Shares

In the event that, for any reason, the Board of Directors determines that (i) the net asset value of any Class of Shares has decreased to, or has not reached, the minimum level for that Class of Shares to be managed and/or administered in an efficient manner, or (ii) changes in the legal, economic or political environment would justify such reorganisation of classes of shares, or (iii) a product rationalisation or any other reason would justify such reorganisation of classes of shares, the Board of Directors may decide to re-allocate the assets and liabilities of that class to those of one or several other classes within the Company and to re-designate the shares of the class(es) concerned as shares of such other share class or share classes (following a split or consolidation, if necessary, and the payment to shareholders of the amount corresponding to any fractional entitlement). The shareholder of the Class of Shares concerned will be informed of the reorganisation by way of a notice and/or in any other way as required or permitted by applicable laws and regulations.

The termination and liquidation of a Class of Shares shall have no influence on the existence of any other Class of Shares.

## General Meetings

The annual general meeting of Shareholders shall be held, within six (6) months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting.

Other meetings of shareholders may be held at such places and times as may be specified in the respective notices of meeting.

The convening notice for every general meeting of shareholders shall contain the date, time, place, and agenda of the meeting and may be made through announcements filed with the Luxembourg Trade and Companies Register and published at least fifteen

(15) days before the meeting, on the RESA, and in a Luxembourg newspaper. In such case, notices by mail shall be sent at least eight (8) days before the meeting to the registered shareholders by ordinary mail (*lettre missive*). Alternatively, the convening notices may be exclusively made by registered mail, or if the addressees have individually agreed to receive the convening notices by another means of communication ensuring access to the information, by such means of communication.

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

## Annual and semi-annual reports

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

The financial statements of the Company are prepared in accordance with Lux GAAP and the Luxembourg legal and regulatory requirements relating to investment funds.

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

The aforementioned documents will be available at the Registered Office within six 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, acting as data controller (the "Data Controller"), collects, stores and processes by electronic or other means the data supplied by the Shareholders at the time of their subscription for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations.

Any data collected by the Company are to be processed in accordance with the data protection law applicable to the Grand Duchy of Luxembourg and the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "Data Protection Law").

The data processed includes the name, address and invested amount of each Shareholder (or, if the Shareholder is a legal person, of its contact person(s) and/or beneficial owner(s)) as well as any data requested by the Company in order to ensure the Company's compliance with applicable anti-money laundering/know your customer, counter terrorist financing, FATCA and CRS rules (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.

Personal Data supplied by the Shareholders is processed in order to enter into and execute the subscription in the Company, for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller. In particular, the data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and conversions 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/know your customer, counter terrorist financing, FATCA and CRS rules.

The Personal Data may also be processed by the Data Controller's data recipients (the "Recipients") which, in the context of the above-mentioned purposes, refer to the AIFM, the Depositary, Paying Agent, Registrar



and Transfer Agent, Domiciliary and Corporate Agent, the Distributor, the Independent Auditors and the Legal Advisor. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the “Sub-Recipients”), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations. The Recipients and Sub-Recipients may be located either inside or outside the European Economic Area (the “EEA”). Where the Recipients and Sub-Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data, transfers to such countries shall rely upon legally binding transfer agreements in the form of the EU Commission approved model clauses. In this respect, the Shareholders have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller. The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the Shareholder has the right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data;
- ask for Personal Data portability.

The Shareholder also has the right to object to the use of his/her/its Personal Data for marketing purposes.

The Shareholder may exercise the above rights by writing to the Company at its Registered Office.

The Shareholder also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection (“CNPD”) at the following address: 1, Avenue du Rock’n’Roll, L-4361 Esch-sur-Alzette, Grand Duchy of Luxembourg.

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

## Complaints handling

The Company has a complaints handling policy, which is available upon request from the Company. The policy is applicable to complaints in relation to the Company and the Sub-Funds. The Company has appointed a Complaints Handling Officer, who is responsible for implementation of the complaints handling policy.

Complaints are expected to be filed in writing to the attention of the Complaints Handling Officer with the reference “Complaint Filing” at the following address or e-mail:

Triodos SICAV II  
Attention: Complaints Handling Officer  
5, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg  
E-mail address: [TriodosIM@triodos.com](mailto:TriodosIM@triodos.com)  
Complainants will be able to file Complaints in English as well as in Dutch.

The following information shall be provided to ensure a prompt handling of the complaint:

- Identity and contact details of the complainant;
- Reason of the complaint and the resulting alleged damage or loss in relation thereof;
- Where necessary, copies of any documentation supporting the complaint.

The Complaints Handling Officer must send an acknowledgment of receipt in writing within (10) ten business days of receipt of the complaint, unless the answer itself is provided to the complainant within this period. If the Complainant did not obtain an answer or a satisfactory answer from the Complaints Handling Officer, it shall be given the opportunity to raise the Complaint up to the Board of Directors of the Company, without prejudice to the below paragraph. In this respect, the Complaints Handling Officer shall indicate to the complainant the means to contact the Board of Directors of the Company to escalate its complaint.

Where the complaint handling at the level of the Complaints Handling Officer did not result in a satisfactory answer for the complainant, the Complaints Handling Officer shall:

- Provide the complainant with a full explanation of its position as regards to the complaint;

- Inform the complainant, on paper or by way of another durable medium, of the existence of the out-of-court complaint resolution procedure before the CSSF and send a copy of the relevant CSSF regulation or the reference of the CSSF website;
- Indicate to the complainant the different means to contact the CSSF to file a request; and
- Inform the complainant, on paper or by way of another durable medium, that s/he can file a request with the CSSF and that, in this case, his/her request with the CSSF must be filed with the CSSF within one (1) year after the filing of the initial complaint with the Company.

## Historical performance

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

## Documents available for inspection

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

- i) the Prospectus;
- ii) the Articles;
- iii) the Depositary Bank and Principal Paying Agent Agreement;
- iv) the Administration Agency Agreement;
- v) the Domiciliary and Corporate Agency Agreement;
- vi) the AIFM Agreement;
- vii) the Distribution Agreement and the list of (Sub-) Distributors appointed;
- viii) the financial reports of the Company; and
- ix) the key information documents for packaged retail and insurance-based investment products (“PRIIPs KID”), if required by applicable law.

Information on the AIFM’s policies on the integration of sustainability risks (article 3 SFDR), the statement on due diligence policies with respect to SFDR’s principle adverse impact indicators (article 4 SFDR) and information on how the AIFM’s remuneration policies are consistent with the integration of sustainability risks (article 5 SFDR) can be found in the sustainability-related disclosures section of the website

[www.triodos-im.com/sustainability-related-disclosures](http://www.triodos-im.com/sustainability-related-disclosures).

# Anti-money laundering and counter-terrorism financing disclosure

The Company, the AIFM and the Registrar and Transfer Agent must comply with all applicable international regulations and Luxembourg laws and regulations and circulars regarding the prevention of money laundering and in particular with the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended from time to time (the “2004 Law”), the Grand Ducal regulation dated 1 February 2010 providing details on certain provisions of the 2004 Law, as amended from time to time, as well as the set of rules formed by European Directives on the preventions of the use of the financial system for the purpose of money laundering and terrorist financing, as amended from time to time and the Financial Action Task Force (FATF) recommendations, as amended from time to time (the “AML Regulations”).

Obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and terrorism financing purposes. Measures aimed towards the prevention of money laundering, as provided in these regulations, may require a detailed verification of a prospective Shareholder’s identity. For the sake of completeness, such verification also entails the mandatory and regular controls and screenings related to international sanctions and performed against targeted financial sanctions and politically exposes persons (PEP) lists.

In particular, applicable laws and regulations require, on a risk sensitive basis, to establish and verify the identity of a potential Shareholder, and, as the case may be, of any person acting on behalf of such Shareholder as well as of the beneficial owner. The identity of a potential Shareholder should be verified on the basis of documents, data or information obtained from a reliable and independent source as further described in the subscription documents of the Company and depending on the legal form of the investor (individual, corporate or other category of investor).

To that end, the Company, the AIFM and the Registrar and Transfer Agent shall request information necessary to establish the identity and the profile of a potential Shareholder, the nature and the intended purpose of the business relationship and the origin of subscription proceeds. In any case, the Company, the AIFM and the Registrar and Transfer Agent have the right to request additional information and documents deemed necessary to comply with the applicable laws and regulations. Failure to provide such information and documents may result in an application not being processed. Should documentation not be forthcoming with regard to the return of payments or the redemption of Shares, then such payment may not proceed.

Depending on the circumstances of each application, a simplified customer due diligence might be applicable, in situations where the Company has assessed that the risk of money laundering or terrorist financing is low. In such case the customer due diligence measures may be adjusted in timing, amount or type of information to be received.

In case of higher risk situations, the Company will apply enhanced customer due diligence measures to manage and mitigate those risks appropriately.

The Company is required to conduct an ongoing monitoring of the business relationship with the Shareholders of the Company. Ongoing monitoring includes, inter alia, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations.

Failure to provide information or documentation deemed necessary for the Company to comply with anti-money laundering measures in force in the Grand Duchy of Luxembourg shall result in delays in, or rejection of, any subscription, redemption or conversion application.

If a satisfactory proof of identity is not provided or is not provided in time, the Company and/or the AIFM and the Registrar and Transfer Agent shall take the measures that it considers to be appropriate, including but not limited to, the blocking of such Shareholder’s account until the receipt of the information and documents required.

The Company performs a specific due diligence and regular monitoring and applies precautionary measures on both the liability and asset side of the balance sheet (i.e. including in the context of investments/divestments).

The Company should assess, using its risk-based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system. As a general rule, the Company will perform target financial sanction screening as well as counter proliferation financing screening on the assets acquired by the Company.

The investment team undertakes comprehensive due diligence for every new renewable energy project, which includes mandatory AML procedures that are described in the AML policies of the AIFM. Most of the renewable energy projects that a Sub-Fund engages in are undertaken in close cooperation with development finance institutions, multilateral development banks

and other likeminded impact investors as arranger(s) and/or co-lenders out of the Triodos network. In case new partners (co-lenders) are involved with whom a Sub-Fund has not worked before, the investment team will check the background and reputation of those partners.

Subscriptions of Shares can also be made indirectly, that is through third parties, i.e. distribution agents. In such case, the Company may be permitted to rely on the above-mentioned customer identification and verification measures performed by these third parties under the conditions described in Art. 3-3 of the Law of 12 November 2004. These conditions require in particular that the third parties apply customer due diligence and record-keeping requirements that are consistent with those laid down in the Law of 12 November 2004 and in the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and are supervised by a competent supervisory authority in a manner consistent with these rules. In addition, the Company will ensure that the third-parties (i) provide the Company and the Registrar and Transfer Agent with information about the identity of the investor, the persons acting on its behalf and the beneficial owners, (ii) provide the Company with relevant information on the source of funds, and (iii) at the request of the Company, provide copies of the customer due diligence documents as further specified in the relevant application subscription forms without delay, which can be used to verify the identity of the investor (and, if applicable, all beneficial owners). The ongoing monitoring of the business relationship with the shareholders of the Company that have subscribed Shares indirectly through the third party may be performed by the Company and/ or the Registrar and Transfer Agent. Distribution agents and local paying agents may provide a financial intermediary service for investors purchasing Shares through them. In such a case, the Company and/or the Registrar and Transfer Agent will perform enhanced due diligence measures with respect to said intermediary pursuant to article 3 of the CSSF Regulation 12-02, as amended by CSSF Regulation 20-05. The aforementioned may charge a fee to investors for providing such services.

# Sub-Fund Particulars: Triodos SICAV II – Triodos Microfinance Fund

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

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

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

## Table of contents

Definitions	54
1. Background	55
2. Investment objective	55
3. Investment policy	55
4. Investment restrictions	57
5. Protection of Shareholders	57
6. Risk factors	58
7. Classes of Shares	58
8. Distribution policy	59
9. Taxation	60
10. Typical investor	60
11. Listing on a stock exchange	60
12. Reference Currency	60
13. Subscriptions	60
14. Redemptions	61
15. Conversions	62
16. Frequency of the Net Asset Value calculation and Valuation Date	62
17. Charges and expenses	63

## Definitions

<b>Bond</b>	debt investment in which an investor lends money to typically a company or a government mostly for a defined period of time at a variable or fixed interest rate
<b>Convertible debt</b>	debt that can be converted into a predetermined amount of the company's equity at certain times during its life, usually at the discretion of the lender
<b>Equity</b>	ownership interest in a company
<b>Financial Inclusion</b>	providing a diverse range of appropriate financial services to people individuals and small businesses in a responsible and sustainable way, to empower people and businesses to achieve their goals and aspirations, and to fuel social and economic development. Financial inclusion is not an end in itself, but a means to address Social Inclusion
<b>Financial Services Provider</b>	entity aimed at providing financial services, not restricted to a certain legal form or regulation
<b>Investee</b>	entity that the Sub-Fund invests in
<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 micro-entrepreneurs and low-income people
<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 shared and subordinated (convertible) debt
<b>Money Market Instrument</b>	instrument normally dealt on the money market which is highly liquid, with a term less than one year, and has a value which can be accurately determined at any time
<b>Senior debt</b>	debt that has priority for repayment in the event of a default or a liquidation
<b>SME or Small and Medium-sized Enterprise</b>	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>SME banks</b>	banks that provide funding to SMEs
<b>Social Inclusion</b>	refers to empowering individuals and groups to take part in society, improving their ability, opportunity, and dignity
<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

### Addressing a global challenge

Globally, 1.7 billion people<sup>1</sup> have no or limited access to basic financial services, such as loans, savings, money transfer services and micro insurance. Furthermore, many micro, small and medium-sized enterprises in developing countries have unmet financing needs. These businesses are firmly rooted in their communities, boost entrepreneurship and play a key role in creating job and generating incomes. Financial Inclusion offers these underserved groups access to basic financial services, thereby enabling them to build their assets gradually, develop their enterprises, improve their income earning capacity, and to save for future events. This empowers people and businesses to achieve their goals and aspirations, and fuels social and economic development. Financial Inclusion also plays a crucial role in addressing other themes, such as access to education, healthcare, renewable energy and affordable housing, and that are vital to accelerate Social Inclusion. A growing number of players in the financial sector acknowledge this and have therefore started offering financial products and services that specifically address these issues. New technologies may play an important role to enhance and foster access to financial services.

The call and urgency for Financial Inclusion is also embedded in the UN Sustainable Development Goals (SDGs), a set of 17 ambitious goals to end poverty, protect the planet, and ensure prosperity for all. Bringing people into the financial system can be instrumental in attaining many of the SDGs, including creating jobs, improving gender equality, access to education and sanitation.

### Track record

Triodos Investment Management B.V. has been active as an investor in Financial Inclusion since 1994 and manages several Financial Inclusion investment funds that provide finance - both equity and debt - to financial institutions globally.

## 2. Investment objective

The Sub-Fund has sustainable investment as its objective as set out in article 9 of the SFDR.

**The Sub-Fund's sustainability-related information can be found in the Sustainability Annex of the Sub-Fund.**

The overall objective of the Sub-Fund is to offer investors a financially and socially sound investment in Financial Inclusion, therefore in Social Inclusion, contributing to an accessible, well-functioning and inclusive financial sector across the globe.

The sustainable investment objectives of the Sub-Fund are:

- To promote individual wellbeing through the advancement of Financial Inclusion;
- To support the transition to equitable and sustainable local economies; and
- To transform the financial system for a sustainable future.

## 3. Investment policy

All investments of the Sub-Fund aim to attain the sustainable investment objective of the Sub-Fund as described under section 2 with the exception of cash, liquid assets and currency derivatives supporting a proper liquidity and risk management of the Sub-Fund.

The investments of the Sub-Fund are, either directly or indirectly, concentrated on the following Investees:

- Financial Services Providers contributing to Financial Inclusion; and
- Intermediary investment vehicles and UCIs contributing to Social Inclusion.

<sup>1</sup> <https://globalfindex.worldbank.org/>

**Geographical diversification**

The Sub-Fund mainly invests in developing countries and emerging economies, and may to a limited extent, invest in developed countries.

**Financing instruments**

The Sub-Fund mainly invests in Equity, Senior debt, Subordinated debt, Convertible debt and other types of Mezzanine financing. The Sub-Fund generally takes minority Equity positions in the Investees.

The Sub-Fund mainly invests in non-listed securities and investment instruments. 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 the currency of the Investee's domicile, which is a Local Currency, and in U.S. Dollar. For debt financing, investments will be in Local Currency, U.S. Dollar and Euro.

For the temporary investment of liquidity surpluses (with terms of generally up to 24 months), the Sub-Fund may invest in Bonds and Money Market Instruments admitted to the Triodos investment universe. The AIFM assesses the sustainability of these instruments based on their material contribution to at least one of the Triodos Transitions on the one hand and the Triodos Bank Minimum Standards on the other hand. More information on the Triodos Bank Minimum Standards can be found on <https://www.triodos-im.com/binaries/content/assets/tim/tim/minimum-standards-and-exclusions.pdf>.

**Syndications**

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

**Special investment and hedging techniques and instruments**

The Sub-Fund shall not invest in or apply techniques and instruments relating to transferable securities and money market instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions or any other SFT within the meaning of the SFTR, for the purposes of efficient portfolio management. The Sub-Fund may invest in or apply currency hedging instruments.

In the context of currency hedging, the Sub-Fund may enter into forward foreign exchange contracts, call options or put options in respect of currencies, currencies forward or 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 specialising 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 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.

Foreign exchange risks for investments in U.S. Dollar 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). Foreign exchange risks for investments in Local Currency may be hedged where possible and deemed appropriate. Cash and liquid assets will be mainly invested in Euro.

**Share class hedging**

The Sub-Fund has entered into a Currency Hedging Services Agreement ("CHS") with CACEIS Bank, Luxembourg Branch. The intent of the CHS is to substantially reduce the foreign currency exposure from the share class base currency to the base currency of the Sub-Fund.

The type of collateral used is the assets of the Sub-Fund, including cash and securities, in custody of the Depositary. No use of the collateral is allowed for reinvestments. For avoidance of doubt, the party receiving such collateral will



not have the right to sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in the business any such collateral.

#### **Benchmark**

Because of the unique feature of the Sub-Fund, it is not managed against any benchmark.

## **4. Investment restrictions**

#### **Risk diversification**

The Sub-Fund may:

- invest up to 40% of its Net Assets in Equity;
- invest up to 20% of its Net Assets in Subordinated debt and/or Convertible debt;
- invest up to 15% of its Net Assets in securities and financing instruments issued by or provided to the same Investee;
- invest up to 20% of its Net Assets in securities and financing instruments issued by or provided to entities that operate in the same country;
- invest up to 10% of its Net Assets in UCI's;
- acquire up to 25% of the total Equity, securities and/or financing instruments issued by a single Investee; and
- invest up to 10% of its Net Assets in Investees that operate in developed countries.

#### **Currency exposure**

The Sub-Fund may invest up to 60% of its Net Assets in un-hedged Local Currency investments.

The Sub-Fund may invest up to 10% of its Net Assets in un-hedged exposures of a single Local Currency.

#### **Borrowing**

The Sub-Fund may borrow up to 20% of its Net Assets. Within this limit, the Sub-Fund will borrow money from reputable financial institutions.

#### **Leverage**

The Sub-Fund can only use leverage through borrowing of cash and / or using derivatives instruments. The Sub-Fund's leverage will be expected at a maximum of 150% using the commitment method of calculation and 240% using the gross method of calculation.

#### **Sustainability (see also "Sustainability Annex of the Sub-Fund")**

The Sub-Fund invests at least 80% of its Net Assets in sustainable investments. The remaining (maximum 20%) will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes.

The Sub-Fund will make a minimum of 80% of sustainable investments with a social objective.

Due to the illiquid nature of the investments of the Sub-Fund and the need to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, the actual percentage of sustainable investments may fall below 80% for a limited period of time of maximum twelve months. Should such a situation arise, the Sub-Fund will take reasonable actions to remedy such situation as soon as possible, taking due account of the interests of its Shareholders.

## **5. Protection of Shareholders**

With respect to the protection of Shareholders in case of Net Asset Value calculation error, the Company complies with the principles and rules set out in Circular CSSF 24/856 as amended or restated from time to time and the tolerance threshold applicable for the Net Asset Value calculation error will be 1.0%.

## 6. Risk factors

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

This section describes the additional risk factors for the Sub-Fund. For other risk factors of the Sub-Fund, it is referred to the section “Risk factors” in the general part of the Prospectus.

### Sustainability risks

In addition to possible sustainability risks stated in the section “Risk factors” in the general part of the Prospectus, there are also specific sustainability risks applicable to the Sub-Fund.

Prior to selecting investments for inclusion in the investment portfolio, positive and negative screening is performed. The investment strategy is detailed in the Sustainability Annex of the Sub-Fund. Both the positive and the negative screening criteria minimise the risk of potential environmental, social or governance events or conditions that may cause an actual or a potential material negative impact on the value of the investments. All investments made by the Sub-Fund are carefully screened against the Triodos Bank Minimum Standards to mitigate negative impact.

The Sub-Fund considers as sustainability factors that could lead to sustainability risks, for example:

- Natural resources as an environmental factor: the Sub-Fund’s assets are sensitive to variations in weather and climate. For example, droughts, extreme weather events, flooding and landslides can affect end-clients of financial services providers;
- Human rights as a social factor: the Sub-Fund mainly invests in developing countries, often characterised by fragile governance structures with weak or inadequate legislation. This can lead to challenges related to human rights;
- Responsible lending practices as a social factor: the Sub-Fund invests in the provision of financial services, and irresponsible lending practices could lead to adverse social consequences, reputational damage and affect profitability. The Sub-Fund screens its Investees on responsible lending practices, including avoidance of over-indebtedness, transparency about products, and responsible pricing;
- Business ethics as a governance factor: unsophisticated governance structures and internal processes, which limits incorporation of business ethics, might generate a potential risk of irregularities and/or liabilities;
- Corruption and instability as a governance factor: there is a risk that the emerging market economies in which the Sub-Fund invests have high levels of corruption, which can lead to an uneven distribution of wealth, political instability and other societal risks. The monitoring of this risk is included in the country risk monitoring of the Sub-Fund;
- Fair taxes as a governance risk: companies with aggressive tax planning can face increased risks of investigations and penalties, and increased legal and compliance costs. This could lead to reputational damage and affect profitability.

In general, sustainability risks are complex and may occur in a manner that cannot reasonably be anticipated and may result in an actual or potential material negative impact on the value of an investment of the Sub-Fund. However, the AIFM considers the likely adverse effect of sustainability risks on the financial and non-financial performance of the investments of the Sub-Fund to be limited as a result of the Sub-Fund’s approach to select investments with a positive impact.

## 7. Classes of Shares

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

Euro-denominated Class “P” Shares Capitalisation (ISIN Code: not available)

Euro-denominated Class “R” Shares Capitalisation (ISIN Code: LU0402511389)

Euro-denominated Class “R” Shares Distribution (ISIN Code: LU0402512866)

Euro-denominated Class “Z” Shares Capitalisation (ISIN Code: LU0842298738)

Euro-denominated Class “Z” Shares Distribution (ISIN Code: LU0842303249)

Euro-denominated Class “B” Shares Capitalisation (ISIN Code: LU0406596501)

Euro-denominated Class “B” Shares Distribution (ISIN Code: LU0407946978)

Euro-denominated Class “I” Shares Capitalisation (ISIN Code: LU0402513328)

Euro-denominated Class “I” Shares Distribution (ISIN Code: LU0402513674)  
Euro-denominated Class “I-II” Shares Capitalisation (ISIN Code: LU1569868281)  
Euro-denominated Class “I-II” Shares Distribution (ISIN Code: LU1569869172)  
British Pound-hedged Class “K-Z” Shares Capitalisation (ISIN Code: LU0842305533)  
British Pound-hedged Class “K-Z” Shares Distribution (ISIN Code: LU0842307588)  
British Pound-hedged Class “K-Institutional” Shares Capitalisation (ISIN Code: LU0402513914)  
British Pound-hedged Class “K-Institutional” Shares Distribution (ISIN Code: LU0402514052)  
Swiss Franc-hedged Class “CH-Institutional” Shares Capitalisation (ISIN Code: LU2168316599)

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

Class “R” Shares are open to any investor. Shares do charge rebates or commissions which may be retained or passed on by the Sub-Distributors depending on applicable law and market practice.

Class “Z” Shares are open to Distributors and financial intermediaries, which according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep any form of rebates or commissions on the management fee. No rebates or commissions on the management fee may be paid to any Distributor or financial intermediary in relation to any of the Euro-denominated Class “Z” Shares. Class “Z” Shares do not charge any form of rebates or commissions.

Class “B” Shares are open to clients of private banks and other investors, who do not have access to Class “I” Shares or to Class “R” Shares. Shares do charge rebates or commissions which may be retained or passed on by the Sub-Distributors depending on applicable law and market practice.

Class “I” Shares are restricted to Institutional Investors.

Class “I-II” Shares are opened to Institutional Investors that will invest an initial subscription amount larger than Euro 25 million.

Class “CH-Institutional” Shares are restricted to Institutional Investors. This Class of Shares is hedged against the Euro.

Class “K-Z” Shares are open to certain retail investors. This Class of Shares is hedged against the Euro.

Class “K-Institutional” Shares are open to Institutional Investors. This Class of Shares is hedged against the Euro. Initially, Shares are issued in registered form only.

## **8. Distribution policy**

### **Capitalisation Shares**

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

### **Distribution Shares**

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

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

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

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

## 9. Taxation

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

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

- i) the investment policy of the Sub-Fund provides for an investment of at least 50% of its assets in MFIs 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 investor in the Sub-Fund wants to invest in sustainable investments that achieve the right balance between financial and sustainability performance.

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 Financial Inclusion sector.

## 11. Listing on a stock exchange

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

## 12. Reference Currency

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

The Reference Currency for the Class "K-Z" and Class "K-Institutional" Shares is the British Pound.

The Reference Currency for the Class "CH-Institutional" Shares is the Swiss Franc.

## 13. Subscriptions

### Subscription of Shares

Shares may be subscribed once a month on the Valuation Date as such date is defined hereafter under section 17.

The Board of Directors may determine to call an additional Valuation Date, in which case the Registrar and Transfer 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 and Transfer Agent one Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time) will, if accepted, be processed on that Valuation Date.

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

Payment for Shares subscribed must be (irrevocably) received on the Sub-Fund's bank account held with the Depository no later than nine Business Days after the relevant Valuation Date. In the event of a late payment, the investor may be charged with an interest. In case applicants subscribe directly with the Registrar and Transfer Agent for Class "R" Shares and Class "B" Shares without using a financial intermediary service, payment for the Shares subscribed must be (irrevocably) received on the Sub-Fund's bank account held with the Depository prior to the cut-off time for subscriptions (one Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time)). Any payments from these kinds of applicants received after the applicable deadline will be processed on the following Valuation Date.

### Subscription requirements

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

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

	Minimum Holding requirement	Minimum Initial requirement	Minimum Subsequent requirement
Class "P" Shares	No minimum	No minimum	No minimum
Class "R" Shares	EUR 500	EUR 500	No minimum
Class "Z" Shares	EUR 500	EUR 500	No minimum
Class "B" Shares	EUR 50,000	EUR 50,000	No minimum
Class "I" Shares	EUR 250,000	EUR 250,000	No minimum
Class "I-II" Shares	EUR 25,000,000	EUR 25,000,000	No minimum
Class "CH-Institutional" Shares	CHF 250,000	CHF 250,000	No minimum
Class "K-Z" Shares	GBP 10,000	GBP 10,000	No minimum
Class "K-Institutional" Shares	GBP 200,000	GBP 200,000	No minimum

## 14. Redemptions

As mentioned in the third section of this Sub-Fund Particulars "Investment policy", the Sub-Fund aims to provide Equity, Subordinated debt, Convertible debt and Senior debt. Such assets are less liquid than listed and other Transferable Securities. In order to support these types of investments over the long run, investors are invited to invest in the Sub-Fund, while keeping in mind the long-term horizon of the underlying investments. All the parties involved will benefit from such an approach.

The Sub-Fund is semi open-ended, i.e. Shares may be redeemed in principle once a month, subject to a redemption notice period dependent on the Share Class (see below in this section) and certain maximum redemption amounts, as the case may be. 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 general part of the Prospectus.

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

Applications for redemptions of the "R", "Z", "B", "P" and "K-Z" Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), 30 calendar days before the relevant Valuation Date (or, if such day is not a Business Day, on the previous Business Day).

Applications for redemptions of the “I-II”, “I”, “CH-Institutional” and “K-Institutional” Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), 90 calendar days before the relevant Valuation Date (or, if such day is not a Business Day, on the previous Business Day).

Applications for redemptions of the “I-II” Shares may not exceed the amount of Euro 10 million on each Valuation Date. The Board of Directors, at its discretion, may accept higher redemptions amounts.

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

If the Sub-Fund receives aggregate requests for the redemption of Shares in excess of 5% of the Net Assets of the Sub-Fund during any redemption notice period, the Sub-Fund may elect to restrict the total number of Shares redeemed to 5% of the Net Assets of the Sub-Fund.

## **15. Conversions**

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

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

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

The Board of Directors, at its discretion, may however accept applications after the applicable conversion deadline.

Applications for conversions of the “I-II” Shares may not exceed the amount of Euro 10 million on each Valuation Date. The Board of Directors, at its discretion, may accept higher redemptions amounts.

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 seven 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 general part of the Prospectus.

## 17. Charges and expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Ongoing Charges for Class “I-II” Shares to a maximum of 1.60%, for Class “I” Shares, Class “CH-Institutional” Shares and Class “K-Institutional” Shares to a maximum of 2.00%, for Class “Z” Shares and for Class “K-Z” Shares to a maximum of 2.20% and for Class “R” Shares and Class “B” Shares to a maximum of 2.75% of its average Net Assets over the twelve months prior period. The charges and expenses can be divided as follows:

### a. Management fee

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.35% for Class “I-II” Shares, calculated on the Class’ Net Assets, accrued monthly and payable quarterly.

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

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

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

The management fee is excluding VAT and when applicable will be charged to the Shareholders.

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

The Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company are entitled to receive fees in accordance with usual practice in Luxembourg which are payable quarterly. These fees are either fixed or variable (amongst others are dependent on the aggregate assets of the Sub-Fund and the number of Classes of Shares). The Sub-Fund expects and strives to limit those fees up to a maximum of 0.10% per annum. In addition, the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company will be entitled to fees with respect to transactions. Please refer to the latest annual report for an overview.

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.

The Sub-Fund strives to limit the other expenses amount to 0.15% per annum. In addition, transaction fees may be due. Please refer to the latest annual report for the latest overview.

# Sub-Fund Particulars: Triodos SICAV II – Triodos Emerging Markets Renewable Energy Fund

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

Triodos SICAV II – Triodos Emerging Markets Renewable Energy Fund (the “Sub-Fund”) was created for an unlimited period of time.

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

## Table of contents

Definitions	65
1. Background	66
2. Investment objective	67
3. Investment policy	67
4. Investment restrictions	68
5. Protection of Shareholders	70
6. Risk factors	70
7. Classes of Shares	71
8. Distribution policy	72
9. Taxation	72
10. Typical investor	73
11. Listing on a stock exchange	73
12. Reference Currency	73
13. Subscriptions	73
14. Redemptions	74
15. Conversions	75
16. Frequency of the Net Asset Value calculation and Valuation Date	75
17. Charges and expenses	76



## Definitions

<b>B-loans</b>	when the Sub-Fund includes financing through a B Loan structure, the Sub-Fund will participate in a loan originated by financial institutions that are Intergovernmental organisations or limited liability companies that are state owned for 50% or more. The financial institution will retain a part of the loan (the “A Loan”) and the Sub-Fund will obtain a part of the loan as well (the “B Loan”), but will not have direct recourse on either the borrower or the financial institution, but will be fully dependent on the financial institution and the financial institution will remain lender of record. B-loans are considered as Senior debt instrument
<b>Bond</b>	debt investment in which an investor lends money to typically a company or a government mostly for a defined period of time at a variable or fixed interest rate
<b>C&amp;I</b>	commercial and industrial (C&I) segment, projects or markets in commerce and industry
<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>COP21 Paris Agreement</b>	the Paris Agreement is an agreement with the United Nations Framework Convention on Climate Change (UNFCCC), dealing with greenhouse-gas-emissions mitigation, adaptation, and finance, signed in 2016. As of November 2019, all UNFCCC members have signed the agreement, 188 have become party to it
<b>DFI</b>	a Development Finance Institution (DFI) is a financial institution that provides risk capital for economic development projects on non-commercial basis. DFIs are often established and should be owned for at least 50% by governments. DFIs provide funds for projects that would otherwise not be able to get funds from commercial lenders
<b>ESG</b>	Environmental, Social and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business
<b>Equity</b>	ownership interest in a company
<b>IFC Performance Standards</b>	International Finance Corporation (IFC) framework for understanding and managing environmental and social risks for high profile, complex, international, or potentially high impact project which have been adopted by many organisations as a key component of their environmental and social risk management
<b>Intergovernmental organisation</b>	an organisation composed primarily of sovereign states, or of other intergovernmental organisations. Intergovernmental organisations are established by treaty or other agreement that acts as a charter creating the group. Examples include the United Nations, the World Bank, or the European Union
<b>Investee</b>	entity that the Sub-Fund will invest in
<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 shared and subordinated (convertible) debt. The terms mezzanine financing and quasi-equity are often interchangeable
<b>Money market Instrument</b>	instrument normally dealt on the money market, which is liquid and has a value which can be accurately determined at any time

<b>Parallel loan</b>	a loan provided to a borrower in parallel to other lenders, on similar terms and conditions, often in a club deal or potentially via an arranger
<b>PV</b>	Photovoltaics (PV) is the conversion of light into electricity using semiconducting materials that exhibit the photovoltaic effect
<b>Senior debt</b>	debt that has priority over Subordinated debt and Mezzanine financing and Equity for repayment in the event of a default or a liquidation
<b>SPV</b>	Special Purpose Vehicle (SPV) is a subsidiary created by a parent company to isolate financial risk
<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

### Addressing a global challenge

As demand for energy grows while unsustainable technologies for the production of energy continue to prevail, Triodos Investment Management B.V. believes there is much to gain in terms of sustainability within the energy context, transforming from a fossil fuel-intensive economy into a low-carbon economy. As energy systems are a major component of economies, they provide great opportunities for catalysing this transformation. Developing countries and emerging economies are increasingly important on the global energy market. It is expected that up to 2030, the strongest growth in power demand will come from non-OECD countries, due to population growth, economic development and current energy deficits.

Utility scale renewable energy projects play a critical role in increasing the clean generation base to replace fossil fuels, to support economic development and decrease the global energy deficit. In addition to this, industry and commerce are large electricity consumers worldwide. The C&I segment offers significant opportunity to grow the use of renewable energy as an increasing number of companies in developing countries and emerging economies recognise that renewable energy is an economically viable, secure source of power and good for the planet.

Ultimately, although utility scale and C&I projects will be critical to reach the COP21 Paris Agreement targets, a significant part of the populations in developing countries and emerging economies will not be connected to electricity grids soon. Grid extension is only suitable for (semi) urban areas, but the investment costs, the scale and their remoteness mean that for rural areas other solutions need to be found. Decreasing equipment costs, along with innovative business and financing models are key elements to open up the off-grid market and to increase access to renewable energy sources for those not connected to any electricity grid.

Additionally, as the renewable energy sector matures, awareness has increased about the need to minimise social and environmental side effects of renewable energy projects, on and around the production site, such as protection of rights of indigenous communities and local environments, as well as throughout the entire supply chain, from social and environmental risks at sourcing supplies, to decomposition and deconstruction risks at the end of the lifetime of a project.

### Track record

Triodos Investment Management B.V. has been active in the renewable energy sector since 1987 and manages several renewable energy funds active in the Netherlands, Europe, developing countries and emerging economies. Since 2014, Triodos Investment Management B.V. finances wind, solar and hydro projects in emerging economies through Triodos Groenfonds, which invests up to 20% of its net assets in renewable energy projects in developing countries and emerging economies.

## 2. Investment objective

The Sub-Fund has sustainable investment as its objective as set out in article 9 of the SFDR.

**The Sub-Fund's sustainability-related information can be found in the Sustainability Annex of the Sub-Fund.**

The overall objective of the Sub-Fund is to offer investors an environmentally and socially sound investment in renewable energy in developing countries and emerging economies, with the prospect of long-term capital growth combined with the opportunity to contribute to the clean energy transition.

The sustainable investment objectives of the Sub-Fund are:

- To increase renewable energy capacity;
- To provide access to clean and affordable energy; and
- To promote economic and social opportunities.

## 3. Investment policy<sup>1</sup>

All investments of the Sub-Fund aim to attain the sustainable investment objective of the Sub-Fund as described under section 2 above with the exception of cash, liquid assets and currency derivatives supporting a proper liquidity and risk management of the Sub-Fund. Therefore, the investments of the Sub-Fund are, either directly or indirectly, concentrated on Investees in the grid-connected utility scale segment and the C&I sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency.

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

- SPVs set-up to finance projects in renewable energy;
- Intermediary investment vehicles, energy transition funds and financial institutions focused on renewable energy; and
- Companies either directly or indirectly involved in renewable energy;

The Sub-Fund may invest in Investees that are operational, under construction or close to the start of construction and to a limited extent in a late stage of development. The Sub-Fund will concentrate on proven technologies in the following clean energy segments:

- Wind power
- Hydropower (small and medium run-of-the-river)
- Solar PV
- Mini-grid and off-grid solutions
- Other more innovative technologies, including but not limited to, energy storage and energy efficiency.

### Geographical diversification

The Sub-Fund invests in developing countries and emerging economies.

### Financing instruments

The Sub-Fund mainly, either directly or indirectly, invests in long term Senior debt facilities, Equity and/or Mezzanine financing and via participations in other finance vehicles in the renewable energy sector. The Sub-Fund may also invest in bonds where the proceeds are earmarked specifically for climate and environmental projects and which are typically asset-linked and backed by the issuing entity's balance sheet.

The Sub-Fund generally takes minority Equity positions in Investees.

For the temporary investment of liquidity surpluses (with terms of generally up to 24 months), the Sub-Fund may invest in Bonds and Money Market Instruments admitted to the Triodos investment universe. The AIFM assesses the sustainability of these instruments based on their material contribution to at least one of the Triodos Transitions

<sup>1</sup> The investment policy will not be applicable with respect to the Ringfenced Investments allocated to a Side Pocket Class of Shares.

on the one hand and the Triodos Bank Minimum Standards on the other hand. More information on the Triodos Bank Minimum Standards can be found on <https://www.triodos-im.com/binaries/content/assets/tim/tim/minimum-standards-and-exclusions.pdf>.

### **Syndications**

The Sub-Fund may enter into syndicated finance agreements with other funds, managed by Triodos Group or managed by other entities. Furthermore, the Sub-Fund may enter into B-loan transactions with Intergovernmental organisations and DFI's.

### **Special investment and hedging techniques and instruments**

The Sub-Fund shall not invest in or apply techniques and instruments relating to transferable securities and money market instruments, such as securities lending, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions or any other SFT within the meaning of the SFTR, for the purposes of efficient portfolio management. The Sub-Fund may invest in or apply currency hedging instruments.

In the context of currency hedging, the Sub-Fund may enter into forward foreign exchange contracts, call options or put options in respect of currencies, currencies forward or 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 specialising 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 Sub-Fund – known as “Cross Hedging”) may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

The investments will be mainly denominated in U.S. Dollar, and to a lesser extent in Euro and Local Currency. In case of Local Currency, the principal amount related to debt and Mezzanine financing facilities will be hedged where possible and deemed appropriate. Principal amounts of investments in Euro will be hedged to a large extent against the Reference Currency of the Sub-Fund (perfect hedges of the principal amounts may not be economical). Cash and liquid assets will be mainly invested in U.S. Dollar.

### **Share class hedging**

The Sub-Fund has entered into a Currency Hedging Services Agreement (“CHS”) with CACEIS Bank, Luxembourg Branch. The intent of the CHS is to substantially reduce the foreign currency exposure from the share class base currency to the base currency of the Sub-Fund.

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

### **Benchmark**

Due to the unique feature of the Sub-Fund, it is not managed against any benchmark. The Sub-Fund is actively managed and does not reference to a benchmark within the meaning of the Regulation (EU) 2016/1011.

## **4. Investment restrictions<sup>2</sup>**

### **Risk diversification**

The Sub-Fund may:

- i) invest up to 30% of its Net Assets in Equity;

<sup>2</sup> The investment restrictions will not be applicable with respect to the Ringfenced Investments allocated to a Side Pocket Class of Shares.

- ii) invest up to 30% of its Net Assets in Subordinated debt and/or Convertible debt;
- iii) invest up to 15% of its Net Assets in securities and financing instruments issued by or provided to the same Investee;
- iv) invest up to 20% of its Net Assets in securities and financing instruments issued by or provided to entities that operate in the same country;
- v) invest up to 30% of its Net Assets in other UCI's without any investment in one single UCI exceeding 20% of its Net Assets; and
- vi) acquire up to 25% of the total Equity issued by a single Investee.

#### **Provisional derogations from investment restrictions**

In order to allow for the build-up of the investment portfolio, the AIFM may, at its discretion, deviate from the above-mentioned investment restrictions during the first 48 months following the launch date of the Sub-Fund pertaining to:

- the maximum percentage of the Net Assets of the Sub-Fund that may be invested in Equity;
- the maximum percentage of the Net Assets of the Sub-Fund that may be invested in Subordinated debt and/or Convertible debt;
- the maximum percentage of the Net Assets of the Sub-Fund that may be invested in securities and financing instruments issued by or provided to the same Investee;
- the maximum percentage of the Net Assets of the Sub-Fund that may be invested in securities and financing instruments issued by or provided to entities that operate in the same country; and
- the maximum percentage of the Net Assets of the Sub-Fund that may be invested in UCI's.

In case a passive breach on any of the investment restrictions would occur after the build-up phase of 48 months following the launch date of the Sub-Fund, the Board of Directors of Triodos SICAV II will act in in the best interest of the shareholders.

#### **Currency exposure**

The Sub-Fund may invest up to 30% of its Net Assets in unhedged Local Currency investments.

The Sub-Fund may invest up to 10% of its Net Assets in unhedged exposures of a single Local Currency.

#### **Borrowing**

The Sub-Fund may borrow up to 20% of its Net Assets. Within this limit, the Sub-Fund will borrow money from reputable financial institutions.

#### **Leverage**

The Sub-Fund can only use leverage through borrowing of cash and / or using derivative instruments. The Sub-Fund's leverage will be expected at a maximum of 150% using the commitment method of calculation and 180% using the gross method of calculation.

#### **Sustainability (see also "Sustainability Annex of the Sub-Fund")**

The Sub-Fund invests at least 80% of its Net Assets in sustainable investments. The remaining (maximum 20%) will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes.

The Sub-Fund will make a minimum of 80% of sustainable investments with an environmental objective.

In order to allow for the build-up of the investment portfolio, the actual percentage of sustainable investments may fall below 80% due to a higher amount of cash and cash equivalents in the Sub-Fund's investment portfolio during 48 months following the launch date of the Sub-Fund.

After that time and due to the illiquid nature of the investments of the Sub-Fund and the need to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, the actual percentage of sustainable investments may fall below 80% for a limited period of time of maximum twelve months. Should such a situation arise, the Sub-Fund will take reasonable actions to remedy such situation as soon as possible, taking due account of the interests of its Shareholders.

## 5. Protection of Shareholders

With respect to the protection of Shareholders in case of Net Asset Value calculation error, the Company complies with the principles and rules set out in Circular CSSF 24/856 as amended or restated from time to time and the tolerance threshold applicable for the Net Asset Value calculation error will be 1.0%.

## 6. Risk factors

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

This section describes the additional risk factors for the Sub-Fund. For other risk factors of the Sub-Fund, it is referred to the section “Risk factors” in the general part of the Prospectus.

### **B-Loan syndication**

B-Loans are a loan syndication technic (co-financing arrangement) pursuant to which a loan granted to a borrower is divided in two tranches, the A part and the B part. The A part is financed by an Intergovernmental organisation (e.g. the World Bank or the European Bank for Reconstruction and Development) or a DFI (usually a limited liability company that is state owned for 50% or more) while the B part is financed by other investors, such as the Sub-Fund.

For the borrower, the Intergovernmental organisation or DFI is the lender of record. The investors in such loans (participants) do not have any direct recourse against the borrower but are dependent on the recourse of the Intergovernmental organisation or DFI, details of such arrangements are arranged for in the relevant agreements related hereto. As B-Loans are generally used to finance projects in developing countries and emerging economies, the Sub-Fund may face several risks.

Such risks may include, the default of the borrower, emerging countries risks, debt rescheduling risk (meaning that the reimbursement of the loan may take more time than anticipated), nationalisation of assets risk (meaning that the financed project becomes a state property without compensation), currency convertibility risk (meaning that the risk that the off taker pays in Local Currency and there would be insufficient dollars in the country (or there are restrictions imposed) and hard transferability risk (meaning that the Sub-Fund may suffer from restriction to currency transfer). Some of the risks listed above are reduced because of the preferred creditor status of the Intergovernmental organisations (e.g. debt restructuring at national level, convertibility, transferability).

Even though B-loans are often secured, there is a risk that the Sub-Fund does not receive any interests and the principal amount of the loan. In addition, for tax reasons the source country (country where the borrower is resident) may view the investors as beneficial owner of the interest paid. Subsequently, (additional) interest withholding tax may be payable. The financial risk can contractually be mitigated in the various documents governing the loan, shifting such risk contractually towards the borrower.

### **Electricity price risk**

The revenue of an investee of a Sub-Fund that provides renewable energy will increase/decrease as a result of increasing/decreasing electricity prices. In case of absence of a government’s subsidies such as Feed in Tariff or a fixed PPA (power purchase agreement), the price becomes more volatile.

### **Sustainability risks**

In addition to possible sustainability risks stated in the section “Risk factors” in the general part of the Prospectus, there are also specific sustainability risks applicable to the Sub-Fund.

Prior to selecting investments for inclusion in the investment portfolio, positive and negative screening is performed. The investment strategy is detailed in the Sustainability Annex of the Sub-Fund. Both the positive and the negative screening criteria minimise the risk of potential environmental, social or governance events or conditions that may cause an actual or a potential material negative impact on the value of the investments. All investments made by the Sub-Fund are carefully screened against the Triodos Bank Minimum Standards to mitigate negative impact.

Triodos Investment Management B.V. requires that all the Sub-Fund's Investees comply with IFC Performance Standards and applicable environmental, social, labour, and human rights laws and conventions in the countries in which the Sub-Fund operates.

The Sub-Fund considers as sustainability factors that could lead to sustainability risks, for example:

- Climate change as an environmental factor: the Sub-Fund's assets are sensitive to variations in weather and climate. For example, droughts, extreme weather events, flooding and landslides can affect generation capacity, damage the asset or disrupt the service;
- Human rights as a social factor: the Sub-Fund invests in developing countries, often characterised by fragile governance structures with weak or inadequate legislation. This can lead to challenges related to human rights;
- Labour conditions as a social factor: unfair labour practices and principles might lead to a decrease in productivity, health, well-being and commitment of employees in the value chain;
- Business ethics as a governance factor: unsophisticated governance structures and internal processes, which limits incorporation of business ethics, might generate a potential risk of irregularities and/or liabilities;
- Corruption and political instability as a governance factor: some of the Sub-Fund's investments in emerging markets involve high political risks. This can lead to political unrest and protests which may affect the availability / progress of the Sub-Fund's investments;
- Fair taxes as a governance risk: companies with aggressive tax planning can face increased risks of investigations and penalties, and increased legal and compliance costs. This could lead to reputational damage and affect profitability.

In general, sustainability risks are complex and may occur in a manner that cannot reasonably be anticipated and may result in an actual or potential material negative impact on the value of an investment of the Sub-Fund. However, the AIFM considers the likely adverse effect of sustainability risks on the financial and non-financial performance of the investments of the Sub-Fund to be limited as a result of the Sub-Fund's approach to select investments with a positive impact.

## 7. Classes of Shares

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

U.S. Dollar-denominated Class "I" Shares Capitalisation (ISIN Code: LU2220397975)

U.S. Dollar-denominated Class "I" Shares Distribution (ISIN Code: LU2220398197)

Euro-hedged Class "EUR-P" Shares Capitalisation (ISIN Code: not available)

Euro-hedged Class "EUR-R" Shares Capitalisation (ISIN Code: LU2220397207)

Euro-hedged Class "EUR-R" Shares Distribution (ISIN Code: LU2220397389)

Euro-hedged Class "EUR-Z" Shares Capitalisation (ISIN Code: LU2220397462)

Euro-hedged Class "EUR-Z" Shares Distribution (ISIN Code: LU2220397546)

Euro-hedged Class "EUR-I" Shares Capitalisation (ISIN Code: LU2220397629)

Euro-hedged Class "EUR-I" Shares Distribution (ISIN Code: LU2220397892)

British Pound-hedged Class "K-Institutional" Shares Capitalisation (ISIN Code: LU2450392555)

British Pound-hedged Class "K-Institutional" Shares Distribution (ISIN Code: LU2450392639)

Euro-denominated Class "Y-I" Shares Distribution (ISIN Code: LU2579958013)

Euro-denominated Class "Y-RZ" Shares Distribution (ISIN Code: LU2579958104)

Class "I" Shares are restricted to Institutional Investors.

Class "EUR-P" Shares are open to entities of the Triodos Group. Class "EUR-P" Shares give the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the Company out of which a majority of the Board of Directors must be appointed. This Class of Shares is hedged against the U.S. Dollar.

Class "EUR-R" Shares are open to any investor. Shares do charge rebates or commissions which may be retained or passed on by the Sub-Distributors depending on applicable law and market practice. This Class of Shares is hedged against the U.S. Dollar.

Class “EUR-Z” Shares are open to Distributors and financial intermediaries, which according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep any form of rebates or commissions on the management fee. No rebates or commissions on the management fee may be paid to any Distributor or financial intermediary in relation to any of the Euro-hedged Class “EUR-Z” Shares. This Class of Shares is hedged against the U.S. Dollar.

Class “EUR-I” Shares are restricted to Institutional Investors. This Class of Shares is hedged against the U.S. Dollar.

Class “K-Institutional” Shares are open to Institutional Investors. This Class of Shares is hedged against the U.S. Dollar.

Class “Y-I” Shares are reserved for Institutional Investors and are a Side Pocket Class of Shares.

Class “Y-RZ” Shares are reserved for all other investors and are a Side Pocket Class of Shares. Initially, Shares are issued in registered form only.

## 8. Distribution policy

### Capitalisation Shares

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

### Distribution Shares

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

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

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

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

## 9. Taxation

### Taxe d’abonnement

The Company is as a rule liable in Luxembourg to an annual subscription tax (*taxe d’abonnement*) of currently 0.05% per annum. The taxable basis of the subscription tax is the aggregate Net Assets of the Company as valued on the last day of each quarter. Individual classes of securities issued within the Sub-Fund of the Company that are reserved to one or more Institutional Investors are however subject to the annual subscription tax at the reduced rate of 0.01%. Accordingly, the Class “EUR-R”, the Class “EUR-Z” and the Class “Y-RZ” Shares are subject to the annual subscription tax at the rate of currently 0.05%, while the Class “I”, the Class “EUR-I”, the Class “K-Institutional”, the Class “EUR-P” and the Class “Y-I” 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 investor of the Sub-Fund is looking for a long-term and sustainable private debt and equity investment profile that benefits from the growing demand for renewable energy in emerging economies and developing countries.



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 renewable energy market, and who or which would want to contribute to the renewable energy sector, whilst at the same time earning a reasonable financial return.

The Sub-Fund's financial means will be invested in and exposed to the renewable energy market in emerging economies and developing countries. 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.

## 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 the Class "I" Shares is the U.S. Dollar.

The Reference Currency for the Class "K-Institutional" Shares is the British Pound.

The Reference Currency for the Class "EUR-R", Class "EUR-Z", Class "Y-I", Class "Y-RZ", Class "EUR-I" and Class "EUR-P" Shares is the Euro.

## 13. Subscriptions

### Subscription during the Initial Offering Period of Shares

The Initial Offering Period for the Class "EUR-R", Class "EUR-Z", Class "EUR-I" and Class "I" started on 3 May 2021 and ended on 28 October 2021 at 4 p.m. Luxembourg time (with the initial valuation date being 29 October 2021), as the Sub-Fund surpassed the minimum amount of USD 20 million.

The Class "EUR-R", Class "EUR-Z", Class "EUR-I" and Class "I" have been launched on 29 October 2021 at an Initial Subscription Price of EUR 25 for the Class "EUR-R", Class "EUR-Z" and Class "EUR-I", and USD 25 for Class "I".

Class "EUR-P" Shares will be launched on the date decided by the Board of Directors at the initial Subscription Price of EUR 25.

Class "K-Institutional" Shares will be launched on the date decided by the Board of Directors at the Initial Subscription Price of GBP 20.

All subscription requests must be received in good order by the Registrar and Transfer Agent prior to 4.00 p.m. (Luxembourg time) on the Business Day preceding the Initial Valuation Date.

Payments of the subscription amounts must be (irrevocably) received on the Sub-Fund's bank account held with the Depository, within five Business Days after the Initial Valuation Date.

### Subscription after the Initial Offering Period of Shares

Shares may be subscribed once a month on the Valuation Date as such date is defined hereafter under section 17.

The Board of Directors may determine to call an additional Valuation Date, in which case the Registrar and Transfer 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 and Transfer Agent one Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time) will, if accepted, be processed on that Valuation Date.

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

Payment for Shares subscribed must be (irrevocably) received on the Sub-Fund's bank account held with the Depository no later than nine Business Days after the relevant Valuation Date. In the event of a late payment, the investor may be charged with an interest. In case applicants subscribe directly with the Registrar and Transfer Agent for Class "EUR-R" Shares without using a financial intermediary service, payment for the Shares subscribed must be (irrevocably) received on the Sub-Fund's bank account held with the Depository prior to the cut-off time for subscriptions (one Business Day preceding the Valuation Date before 4.00 p.m. (Luxembourg time)). Any payments from these kinds of applicants received after the applicable deadline will be processed on the following Valuation Date.

#### Subscription requirements

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

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

	Minimum Holding requirement	Minimum Initial requirement	Minimum Subsequent requirement
Class "I" Shares	USD 250,000	USD 250,000	No minimum
Class "EUR-P" Shares	No minimum	No minimum	No minimum
Class "EUR-R" Shares	No minimum	No minimum	No minimum
Class "EUR-Z" Shares	No minimum	No minimum	No minimum
Class "EUR-I" Shares	EUR 250,000	EUR 250,000	No minimum
Class "K-Institutional" Shares	GBP 200,000	GBP 200,000	No minimum

## 14. Redemptions

As mentioned in the third section of this Sub-Fund Particulars "Investment policy", the Sub-Fund aims to provide Senior debt, Equity and Mezzanine financing and other debt instruments. Such assets are less liquid than listed and other Transferable Securities. In order to support these types of investments over the long run, investors are invited to invest in the Sub-Fund, while keeping in mind the long-term horizon of the underlying investments. All the parties involved will benefit from such an approach.

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

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

Applications for redemptions of the "EUR-P", "EUR-R" and "EUR-Z" Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m.

(Luxembourg time), 30 calendar days before the relevant Valuation Date (or, if such day is not a Business Day, on the previous Business Day).

Applications for redemptions of the “I”, “EUR-I” and “K-Institutional” Shares, in order to be processed on the Valuation Date, must be received by the Registrar and Transfer Agent before the redemption deadline, which is 4.00 p.m. (Luxembourg time), 90 calendar days before the relevant Valuation Date (or, if such day is not a Business Day, on the previous Business Day).

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

If the Sub-Fund receives aggregate requests for the redemption of Shares in excess of 2% of the Net Assets of the Sub-Fund during any redemption notice period, the Sub-Fund may elect to restrict the total number of Shares redeemed to 2% of the Net Assets of the Sub-Fund.

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.

## **15. Conversions**

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

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

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

The Board of Directors, at its discretion, may however accept applications after the applicable conversion deadline. 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 seven Business Days after the relevant Valuation Date.

The Net Asset Value per Share of a Side Pocket Class of Shares will be determined quarterly as of the last Business Day of the quarter (the “Side Pocket Valuation Date”) and will be calculated at the latest seven Business Days after the relevant Side Pocket Valuation Date.

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

## 17. Charges and expenses

The Sub-Fund shall pay for several services and operating costs. The Sub-Fund strives to limit the Ongoing Charges for Class “I” Shares, Class “EUR-I” Shares, Class “K-Institutional” Shares and Class “EUR-P” Shares to a maximum of 2.20%, for Class “EUR-Z” Shares to a maximum of 2.40% and for Class “EUR-R” Shares to a maximum of 2.95% of its average Net Assets over the twelve months prior period. The charges and expenses can be divided as follows:

### a. Management fee

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.60% for Class “EUR-P” Shares, Class “I” Shares, Class “K-Institutional” Shares and Class “EUR-I” Shares, calculated on the relevant Class’ Net Assets, accrued monthly and payable quarterly.

The Sub-Fund pays for the provision of management services, supporting services and distribution activities an annual fee of 2.35% for Class “EUR-R” Shares, calculated on the relevant Class’ Net Assets, accrued monthly and payable quarterly. Costs for marketing and distribution activities related to retail investors and attributable to Class “EUR-R” Shares will only be borne by this Class, and will be part of the management fee.

The Sub-Fund pays for the provision of management services and supporting services an annual fee of 1.80% for Class “EUR-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.

The management fee is excluding VAT and when applicable will be charged to the Shareholders. No management fee will be charged to the Side Pocket Class of Shares.

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

The Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company are entitled to receive fees in accordance with usual practice in Luxembourg which are payable quarterly. These fees are either fixed or variable (amongst others are dependent on the aggregate assets of the Sub-Fund and the number of Classes of Shares). The Sub-Fund expects and strives to limit those fees up to a maximum of 0.20% per annum. In addition, the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent of the Company will be entitled to fees with respect to transactions. Please refer to the latest annual report for an overview.

### 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.

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

### d. Formation expenses

The maximum formation expenses for the launch of the Sub-Fund may not exceed EUR 110,000. In accordance with the Section “Charges and expenses” of the Prospectus, these expenses are borne by the Sub-Fund and, where applicable, will be written off in proportion to its Net Assets over a period not exceeding five years.

### e. Fees of the Side Pocket Class of Shares

The Side Pocket Class of Shares will continue to bear the costs associated with the Ringfenced Investments and an accrual will be created by the Side Pocket Class of Shares to cover these costs and other ongoing costs such as fees charged by the Depositary, Paying Agent, Administrative Agent, Registrar and Transfer Agent, Domiciliary and Corporate Agent, and other expenses such as expenses of the Legal Advisor or any other legal advice for the

Ringfenced Investments and expenses of the Independent Auditors. The accrual will reduce the issue price of the Side Pocket Class of Shares. This means that Shareholders will share equally in these costs in proportion to their shareholding in the existing Classes of Shares.

# Appendix I Particulars

## Board of Directors

### G.R. Pieters

Chair

Partner of the Directors' Office Luxembourg

Garry Pieters is an ILA (Institut Luxembourgeois des Administrateurs)-certified director. In addition to his role as Chair, he coordinates the handling of complaints. Garry Pieters is a Board Member of several other Luxembourg investment entities. He has about 40 years of experience in the field of asset management, in particular with ING Group N.V.. He was fund manager for a number of ING Group's Luxembourg money market and fixed income funds and was Chief Executive Officer of NN Investment Partners Luxembourg S.A., ING's Singapore joint venture, as well as Executive Vice President of its Korean joint venture. He is also Chair of the Board of Triodos SICAV I.

### M.D. Bachner-Bout

Independent, Founder of Bachner Legal

Monique Bachner-Bout is an Independent Director and lawyer with broad governance, legal, technology and financial services expertise. She holds both law and economics degrees, and is an ILA Certified Director and INSEAD IDP-C. Having started her career as a Magic Circle corporate lawyer, Monique Bachner-Bout now focuses on governance and innovation, and in particular their intersection with legal and regulatory frameworks. She is the author of various corporate governance and technology governance articles and guidance, and is active in international working groups related to corporate governance, decentralisation, automation/artificial intelligence governance and ethics, and is a regular speaker on these topics. Monique Bachner-Bout is also a Member of the Board of Triodos SICAV I.

### D.J. van Ommeren

Managing Director, Triodos Investment Management B.V.

Dirk Jan van Ommeren is Managing Director at Triodos Investment Management B.V. He has a long-standing experience in the financial sector. He previously worked at ABN AMRO MeesPierson, where he was Managing Director Marketing & Products and member of the management group of ABN AMRO Bank. Dirk Jan van Ommeren is also a Member of the Board of Triodos SICAV I, Triodos Sustainable Finance Foundation, Triodos Renewable for Development Fund and Triodos Ventures B.V..

### J.C. Smakman

Director Product & Process management Triodos Bank N.V.

Jeroen Smakman is Director Product & Process management for Triodos Bank N.V.. He has a long-standing experience in the financial sector. Jeroen Smakman previously worked at ING Group N.V. in product management, marketing and HR. He has held several management positions in the Netherlands, Italy, Canada and the Czech Republic. In Italy, Jeroen Smakman held responsibility for the Investment Products business line and later for Risk Management & Compliance of the local bank branch of ING Direct. Also, he acted as a board member of the ING Direct SICAV Luxembourg. For ING in Canada, he acted as the Vice-President of ING Direct Funds Ltd., a registered mutual funds dealer. Jeroen Smakman is also a Member of the Board of Triodos SICAV I.

### J.F. Wilkinson

Independent, Founder of Ripple Effect

Jane Wilkinson is a UK Chartered Accountant and is qualified as a Luxembourg accredited auditor. She has spent much of her working career at KPMG Luxembourg, where she was audit partner and sustainability lead for ten years. Subsequently she has held a number of senior roles within financial companies as well as being appointed member of the Sustainable Finance Technical Expert Group of the European Commission. Today she acts as Independent Director and advisory Board Member within the investment management industry, as well as sustainability advisor through her company, Ripple Effect. Jane Wilkinson is also a Member of the Board of Triodos SICAV I.

# Appendix II Local Information

## European Economic Area (the “EEA”)

When marketing Shares in any territory of the EEA (other than Luxembourg) to Professional Investors that are domiciled or have a Registered Office in the EEA, the AIFM may obtain marketing passports made available under the provisions of article 32 of the AIFMD.

Shares in a Sub-Fund may only be marketed pursuant to such passports to Professional Investors in those territories of the EEA in respect of which a passport has been obtained. The AIFM has made a passport notification to the AIFM’s home regulator in respect of the marketing of Shares in some Member States and certain countries in the EEA. Further details can be obtained from the Distributor whose address is set out in the directory of the Prospectus.

## Austria

The Financial Market Authority (the “*Finanzmarktaufsichtsbehörde*”) has received proper notification of the AIFM’s marketing of Shares to Professional Investors in Austria. The Prospectus is being made available only to identified Professional Investors as defined in section 1 no. 13 of the Austrian Securities Supervision Act of 2018 (the “*Wertpapieraufsichtsgesetz 2018*”) and is not, and may not be, distributed to any other person in Austria. None of the Prospectus or any other document relating to the Company or the Shares may be distributed, passed on or disclosed to any other person in Austria. The Prospectus is distributed subject to such restrictions. By accepting the Prospectus, the recipient undertakes to comply with such restrictions.

None of the Company, the AIFM or any of their respective affiliates is subject to the supervision of the *Finanzmarktaufsichtsbehörde* or any other Austrian supervisory authority. None of the Prospectus or any other document relating to the Company or the Shares of the Company has been examined by the *Finanzmarktaufsichtsbehörde* or any other Austrian financial market authority. Neither the *Finanzmarktaufsichtsbehörde* nor any other Austrian supervisory authority is liable for the accuracy or completeness of such documents.

## Belgium

The Belgian Financial Services and Markets Authority, *Autorité des Services et Marchés Financiers*, (the “FSMA”) has received proper notification of the AIFM’s marketing of Shares without a public offer in Belgium. No action has been taken or will be taken in Belgium to permit a public offer of the Shares within the meaning of Article 3, 27 of the Belgian Act of 19 April 2014 relating to alternative investment funds and their managers (the “AIFM Act”). Neither the Company, nor its Shares may be marketed, offered or sold to persons in Belgium unless this marketing, offering or sale enters within the scope of Article 5, paragraph 1 of the AIFM Act. This means that, in the case of the Company, the Company or its Shares may only be marketed, offered or sold (i) to professional investors, and (ii) to investors other than professional investors if the offered Shares require a minimum consideration of EUR 250,000 per investor and per category of securities.

## Denmark

The Danish Financial Supervisory Authority, *Finanstilsynet*, (the “FSA”) has received proper notification of the AIFM’s marketing of Shares of the Company to Professional Investors in Denmark.

The Shares of the Triodos SICAV II - Triodos Microfinance Fund have been registered with the FSA for the purpose of marketing the Shares to the public in Denmark, in accordance with the Executive Order no. 1047 of 14 October 2019.

The Shares of the Triodos SICAV II - Triodos Emerging Markets Renewable Energy Fund that have not been registered for marketing to the public in Denmark, may not be marketed to retail investors in Denmark.

The Shares of the Company can be distributed to Professional Investors and semi-professional investors. Semi-professional investors are investors who commit to invest at least EUR 100,000 and in writing declare that they are familiar with the risks associated with the contemplated commitment or investment through a document different from the investment agreement itself (as permitted in the Danish Alternative Investment Fund Managers etc. Act). Any resale of such Shares to investors in Denmark will constitute a separate offer of the Shares under Danish securities law, including its prospectus regulation, and accordingly such resale must either (i) not constitute a public offering of securities in Denmark or the admission of securities to trading on a Regulated Market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) only be completed in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

## France

The Financial Markets Authority, *Autorité des Marchés Financiers* (the “AMF”) has received proper notification of the AIFM’s marketing of Shares to Professional Investors in France pursuant to Articles 421-1 and 421-2 of *Règlement Général de l’AMF* (the “AMF General Regulation”). The Shares may only be marketed to Professional Investors.

## Germany

The German Federal Financial Supervisory Authority, *Bundesanstalt für Finanzdienstleistungsaufsicht* (the “BAFIN”) has received proper notification of the AIFM’s marketing of Shares to Professional Investors in Germany. In the Federal Republic of Germany, the Shares of the Company can only be distributed to Professional Investors and semi-professional investors. Distribution to retail investors is not authorised.

According to § 1 (19) Nr. 33 *Kapitalanlagegesetzbuch* (the “KAGB”), a semi-professional investor is:

- a) each investor:
  - a. who commits to invest at least EUR 200,000;
  - b. who confirms in writing, in a contract separate to the investment commitment, that he is aware of the risks associated with the intended commitment or investment;
  - c. whose expertise, experience and knowledge is assessed by the AIFM or the distributor it has appointed, without proceeding on the assumption that the investor possesses the market knowledge and experience of the investors mentioned in Annex II section I of the Directive 2014/65/EU§;
  - d. in relation to which the AIFM, or the distributor it has appointed, in view of the nature of the intended commitment or investment, is sufficiently convinced that it is capable of taking its investment decisions on its own and that it understands the risks involved and that such a commitment is appropriate for the investor concerned; and
  - e. to whom the AIFM, or the distributor it has appointed, confirms in writing that it has made the assessment mentioned under c. and that the prerequisites mentioned under d. are given.
- b) a general manager or employee of the AIFM as mentioned in § 37 (1) KAGB, provided that it invests into AIFs managed by the AIFM; or a member of the management; or of the Board of Directors of an externally managed investment company, provided that it invests into the externally managed investment company;  
each investor, who commits to invest at least EUR 10 million in a collective investment undertaking (“*Investmentvermögen*”);
- c) each investor in the legal form of:
  - a. an institution under public law;
  - b. an endowment under public law; or
  - c. a company in which the Federal Republic or a Federal State of Germany holds a majority stake.

## Italy

The Italian Companies and Exchange Commission, *Commissione Nazionale per le Società e la Borsa* (the “CONSOB”) in Italy has received proper notification of the AIFM’s marketing of Shares of the Triodos SICAV II – Triodos Microfinance Fund to Professional Investors in Italy in accordance with article 43 of the Legislative decree No. 58/1998 (the “Financial Services Act”) and the Decree of the Italian Ministry of Economy and Finance no. 30 of 2015. Accordingly, the Shares may be subscribed for, purchased or in any case held only by Professional Investors as identified under the Financial Services Act and the relevant implementing regulations.

More specifically, Professional Investors mean:

- 1) professional private clients by rights, as defined in Annex 3, paragraph I of the CONSOB Regulation adopted with resolution 20307 of 15 February 2018, as subsequently amended (the “Intermediaries Regulation”), in implementation of article 6, paragraph 2-quinquies of the Financial Services Act;
- 2) professional private clients upon request, pursuant to Annex 3, paragraph II of the Intermediaries Regulation;
- 3) professional public clients, pursuant to the Decree of the Ministry of Economy and Finance adopted in implementation of article 6, paragraph 2-sexies of the Financial Service Act.



Any marketing, sale or delivery of the Shares in Italy shall be made directly by the AIFM and/or through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Service Act, Intermediaries Regulation, and Legislative Decree No. 385 of September 1, 1993, as subsequently amended and supplemented) and in accordance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

#### **Norway**

The Financial Supervisory Authority of Norway (“*Finanstilsynet*”) has received proper notification of the AIFM’s marketing of Shares of the Sub-Fund Triodos Microfinance Fund to investors for their marketing in Norway in accordance with the requirements of Norwegian laws and regulations.

The Shares may only be marketed to Professional Investors as defined in Section 1-2 (k) of the Norwegian Alternative Investment Fund Management Act (the “NAIFMA”).

#### **Spain**

The National Securities Market Commission, the *Comisión Nacional del Mercado de Valores* (the “CNMV”) has received proper notification of the AIFM’s marketing of Shares of the Triodos SICAV II - Triodos Microfinance Fund to Professional Investors for their public marketing in Spain in accordance with the requirements of Spanish laws and regulations.

The Shares as well as the Prospectus may under no circumstances be beneficially or legally distributed or made available in whole or in part, either directly or indirectly, to investors other than Professional Investors in Spain unless (i) the successful completion of the passporting procedure pursuant to Article 32 of the AIFMD has taken place, (ii) it shall not be considered a public offering of securities according to the requirements set out in Article 38 of Royal Decree 1310/2005, of 4 November, partially implementing Law 24/1988, of 28 July, on the Securities Market, on the admission to trading of securities on official secondary markets, public offers for sale or subscription and the prospectus required for such purposes, or (iii) a Prospectus is published, if required under Articles 35 and 36 of Law 6/2023, on Securities Markets and Investment Services, when the thresholds to not qualify as a public offering of securities are exceeded.

The requirements to not qualify as a public offering of securities are the following: a) an offer of securities exclusively directed to qualified investors; b) an offer of securities directed to less than 150 natural or legal persons per Member State, without including qualified investors; c) an offer of securities directed to investors who acquire securities for a minimum of EUR 100,000 per investor, for each separate offer; d) an offer of securities the unit nominal value of which is at least EUR 100,000 .

#### **Sweden**

The Financial Supervisory Authority (the “*Finansinspektionen*”) has received proper notification of the AIFM’s marketing of Shares to Professional Investors in Sweden. The Prospectus may not be made available, nor may the Shares hereunder be marketed and offered for sale in Sweden, other than under article 32 of the AIFMD.

#### **The Netherlands**

The Dutch Authority for Financial Markets, *De Autoriteit Financiële Markten* (the “AFM”) has received proper notifications of the AIFM’s marketing of Shares to (i) Professional Investors (“*professionele beleggers*”) in the Netherlands, in accordance with article 2:70 section 1 of the Dutch Financial Supervision Act (“*Wet op het financieel toezicht*” – hereinafter the “Wtf”) as well as (ii) non-professional investors (“*niet-professionele beleggers*”) in accordance with article 2:70 section 2 and 3 Wtf. The Shares may be marketed to Professional Investors, and non-professional investors in the Netherlands subject to the article 4:37p Wtf (so-called ‘top-up’ requirements). The aforementioned ‘top-up’ requirements do not apply where Shares (a) are acquired for a total consideration of at least EUR 100,000 per non-professional investor or (b) have a nominal value per Share of at least EUR 100,000.

#### **Australia**

The Company and its AIFM are foreign body corporates and are not registered in Australia. The Company is not, and is not required to be, a registered foreign body corporate in Australia, and the Prospectus is not a prospectus or a product disclosure statement, for the purposes of Chapter 6D or Chapter 7 of the Corporations Act 2001 (Cth) (the “Australian Corporations Act”). It is not required to, and does not, contain all the information which would be required

in a prospectus or a product disclosure document. It is not lodged or required to be lodged with the Australian Securities and Investments Commission. The provision of this document to any person does not constitute an offer of the Shares unless the recipient is a “Sophisticated Investor” or a “Professional Investor” for the purposes of section 708 of the Australian Corporations Act. This document is not a disclosure document under Part 6D.2 of the Australian Corporations Act and is not a product disclosure statement under Part 7.9 of the Australian Corporations Act. It is not required to, and does not, contain all the information which would be required in a disclosure document or product disclosure statement. It has not been lodged with the Australian Securities and Investments Commission.

The Company and its AIFM do not hold an “Australian Financial Services Licence” to offer, issue, or provide financial product advice in relation to, the Shares.

The “Licensee” which makes the offer of Shares as intermediary and has arranged the provision of financial product advice by the Company and / or its AIFM holds “Australian Financial Services License” No. 223718.

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

#### **Switzerland**

The Company has not been licensed by the Swiss Financial Market Supervisory Authority, *Eidgenössische Finanzmarktaufsicht* (the “FINMA”) for offering to non-qualified investors pursuant to the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended (the “CISA”). The Shares will only be offered and the Prospectus and/or any offering materials will only be made available in or from Switzerland to regulated qualified investors as defined in Article 10 of CISA in connection with Article 4 of the Swiss Federal Act on Financial Services of 15 June 2018, as amended (the “FINSA”) and only to such other investors as have requested such materials at their own initiative and unsolicited by the AIFM or any affiliate thereof. No representative or paying agent has been or will be appointed in Switzerland.

#### **United Kingdom**

The Company has appointed Triodos Investment Management B.V. as its AIFM. Triodos Investment Management B.V. is authorised under a European AIFM passport recognised by the UK Financial Conduct Authority (the “FCA”) of the United Kingdom (the “UK”) under the UK Financial Services and Markets Act 2000 (the “UK FSMA”). Triodos Investment Management B.V. does not provide any investment advice to any prospective investor. Triodos SICAV II is an alternative investment fund for the purposes of UK FSMA and subordinate legislation made under UK FSMA, including the Alternative Investment Fund Managers Regulations 2013 (the “AIFMR”), the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (the “FPO”) and the Financial Services and Markets Act (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended (the “PCISO”).

The content of the Prospectus has not been issued or approved by a person authorised under UK FSMA, nor is the Company considered to be a recognised collective investment scheme for the purposes of sections 264 or 272 UK FSMA. This means that there are strict controls on the promotion of the Company’s shares in the UK, both by authorised and unauthorised persons within the meaning of UK FSMA.

Accordingly, the Prospectus is for distribution in the United Kingdom only to:

- 1) Persons believed on reasonable grounds to fall within one of the categories of “investment professionals” as defined in article 19(5) of the FPO and article 14 PCISO;
- 2) Persons believed on reasonable grounds to be “high net worth companies, unincorporated associations etc” within the meaning of article 49 of the FPO and article 22 PCISO;
- 3) Persons who are “certified sophisticated investors” as described in article 50 of the FPO and article 23 PCISO, namely persons who hold a current certificate and who have signed a statement in the form prescribed by the FPO not more than twelve (12) months prior to the date of the Prospectus;

- 4) Persons to whom the Prospectus may otherwise lawfully be provided in accordance with FSMA 2000, and the FPO (as amended);
- 5) If communicated by a firm authorised by the FCA, to persons who fall within the exemptions set out in rule 4.12.4(5) of the FCA's Conduct of Business Sourcebook (the "FCA COBS");
- 6) A person who is a "self-certified sophisticated investor" as described in article 50A of the FPO and COBS 4.12.8 of the FCA COBS, namely a person who has signed a statement in the form prescribed by the FPO not more than twelve (12) months prior to the date of Prospectus and whose completion of that statement indicates that they satisfy the conditions set out in the statement to be classified as a self-certified sophisticated investor; or a person who is a "high net worth individual" as defined in article 48 FPO and article 21 PCISO.

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

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

The Company and its AIFM are not regulated by the FCA. The AIFM has provided a written notification to the FCA pursuant to Article 59 AIFMR.

#### **United States of America**

The Shares have not been and will not be registered under the United States Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States of America. The Shares may not be offered, sold or delivered in the United States of America to or for the account of any US person as defined in the United States Securities Act of 1933 (the "Securities Act"), except in accordance with all applicable securities laws of any state, territory or other jurisdiction of the United States of America. Each purchaser of the Shares should understand that these Shares may not be (re)offered, (re)sold, pledged or otherwise transferred except in accordance with all applicable securities laws of any state, territory or any other jurisdiction of the United States of America.

Prospective investors should be aware that they may be required to bear the financial risks of the investment for an indefinite period of time. There will not be any public or secondary market for the Shares. In addition, transfers of Shares are generally prohibited without the consent of the Board of Directors, not to be unreasonably withheld, and certain federal, state and non-U.S. Securities laws also restrict transfers of Shares.

The Company will not be registered as an investment company under the U.S. Investment Company act of 1940, as amended, pursuant to an exemption from registration thereunder. In addition, the Shares offered hereby have not been registered under the Securities Act, applicable state securities laws or securities laws of non-U.S. jurisdictions, and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws since they are being offered only to a limited number of qualified investors, rather than by means of a public offering.

# Sustainability Annex: Triodos SICAV II – Triodos Microfinance Fund

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Triodos Microfinance Fund  
 Legal entity identifier: 549300CEY5QVKTH6IS15

## Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 80%</b>	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b>



### What are the sustainable investment objectives of this financial product?

The overall objective of the Sub-Fund is to offer investors a financially and socially sound investment in Financial Inclusion, therefore in Social Inclusion, contributing to an accessible, well-functioning and inclusive financial sector across the globe.

The sustainable investment objectives of the Sub-Fund are:

- To promote individual wellbeing through the advancement of Financial Inclusion;
- To support the transition to equitable and sustainable local economies; and
- To transform the financial system for a sustainable future

To attain the sustainable investment objectives, the Sub-Fund will invest, either directly or indirectly, in Financial Services Providers contributing to Financial Inclusion and intermediary investment vehicles and UCIs contributing to Social Inclusion in developing countries and emerging economies, and to a limited extent in developed countries.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Sub-Fund uses among others the following indicators to measure, monitor and report its sustainability performance, with regard to its sustainable investment objectives:

- To promote individual wellbeing through the advancement of Financial Inclusion:
  - Total number of loan clients reached
  - Total number of saving clients reached
  - Average loan amount
  - Average savings amount
  - Percentage female clients
  - Percentage rural clients
  - Total number of borrowers that received an agricultural loan
  - Total number of clients that made use of an energy efficiency and sustainability related loan
  - Total number of households that received an affordable housing loan
  - Total number of students that took out an educational loan
- To support the transition to equitable and sustainable local economies:
  - Total number of end-clients being SME clients
  - Sub-Fund's carbon footprint (scope 1, 2 and 3 emissions in tonnes of CO<sub>2</sub>)
- To transform the financial system for a sustainable future:
  - Percentage of Investees that have an exclusion list
  - Percentage of Investees that offer financial literacy training
  - Number of equity investments with active board membership held on behalf of the Sub-Fund

The performance of such indicators is a consequence of the investment strategy of the Sub-Fund and not a result of targeting specific indicator results.

### **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

To select only those investments that do not cause significant harm the Sub-Fund's social sustainable investment objectives, every new investment is assessed in line with the Triodos Bank Minimum Standards. If an Investee is found to cause significant harm, it is excluded from investment. All applicable principal adverse impact indicators on sustainability factors are taken into account in the investment process. The Triodos Bank Minimum Standards, that is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, also sets out the minimum standards for employee relations, remuneration, taxes and other corporate governance topics that Investees must meet in order to be eligible for investment.

### **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The mandatory indicators for adverse impact on sustainability factors and two selected optional indicators on sustainability factors are analysed and assessed as part of the overall investment process. The AIFM selected one environmental optional principal adverse impact (PAI) indicator from Table 2 and one social optional PAI indicator from Table 3 of Annex I of the SFDR Delegated Regulation, in particular no. 4. Investments in companies without carbon emission reduction initiatives and no. 15. Lack of anti-corruption and anti-bribery policies respectively.

The data for the mandatory and optional PAI indicators is collected during the due diligence on Investees and is based either on information obtained directly from the Investee, a third-party expert, or on information from public sources. In case information is not (yet) available or not feasible to obtain, the AIFM uses proxy indicators supplied by reputable institutions with experience in the relevant industry. Both the assessment and the conclusions of the potential adverse impacts on sustainability factors as well as the positive impact of the Sub-Fund's investments are recorded and translated into monitoring and reporting items in line with the Triodos IM Due Diligence Policy.

For the selection of the optional PAI indicators, the AIFM has assessed the degree of relevance and data availability from an entity perspective. The level of harm is assessed within the context of the Sub-Fund and the Investee. The PAI indicators are classified as low, medium or high level of (potential) harm. In case a medium or high level of harm is assessed for a certain PAI indicator, the investment team provides further clarification and to what extent this can be mitigated and managed by the Investee and/or by the AIFM. In case no satisfactory clarification nor mitigatory measures are possible, the Investee is not deemed suitable for investment. When proxy data is the only data available (country and sector level data), a qualitative assessment of the Investee exposure is discussed in the investment proposal for medium and high levels of harm. When PAI indicators are not applicable (for example the availability of certain policies for small enterprises), the investment team can apply qualitative assumptions as per the Triodos IM Due Diligence Policy.

#### *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Prior to being selected for investment and for the entire duration of the investment, (potential) Investees are screened in line with the Triodos Bank Minimum Standards that sets out the products, processes and activities that the AIFM excludes from investments. The Triodos Bank Minimum Standards cover the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Such due diligence screening takes place according to the Triodos IM Due Diligence Policy and includes both desk research and, where applicable, on-site due diligence. An integral part of this process constitutes the assessment of governance, employee relations, customer treatment, tax arrangements and sustainability risks, as well as checks of policies and mechanisms to ensure alignment with the above-mentioned standards depending on the nature of the investment in question. Should a breach take place after investing, the AIFM engages with the Investee to remediate the breach or assesses whether divestment is required.



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes  No

A selection of PAI indicators considered to be most material for the Sub-Fund is the mandatory PAI indicator '1. Green house gas emissions' and the optional PAI indicator '15. Lack of anti-corruption and anti-bribery policies'. These two PAI indicators are monitored and assessed on an annual basis at Sub-Fund level. The analysis as well as trends are discussed in the Sub-Fund's Impact Financial Risk Committee, which amongst others reviews and monitors financial risks (including sustainability risks). Based on the analysis and discussion, the AIFM may develop specific targets, actions

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



## What investment strategy does this financial product follow?

The AIFM adopts an impact management approach into the investment process in order to attain the sustainable investment objectives of the Sub-Fund:

### Analyse transformative potential:

Each Investee that is selected for the Sub-Fund's investment portfolio should positively contribute to at least one of the sustainability objectives of the Sub-Fund. The Sub-Fund primarily invests, either directly or indirectly, in Financial Services Providers such as Microfinance Institutions and SME Banks. These types of financial institutions provide financial services to micro-entrepreneurs, low-income people and SMEs that have no or limited access to basic financial services. Providing access to financing to these underserved groups fuels social and economic development and the Sub-Fund thereby supports the promotion of individual wellbeing, the transition to equitable and sustainable local economies and the transformation of the financial system for a sustainable future.

The Sub-Fund uses the in-house developed 'Triodos Sustainable Banking Assessment' (SBA) to objectify the sustainability assessment. The SBA assesses the sustainability performance based on an extensive questionnaire that addresses the following themes: social, governance and environment. The SBA results in a sustainability score. A minimum sustainability score is required to qualify as an investment for the Sub-Fund. The sustainability score of the SBA considers among others good governance, management & staff, appropriate product range, responsible finance, and environmental impact.

### Mitigate negative impact:

Investees are screened against negative impact on people and planet (inside-out lens) that could jeopardise the sustainable transition that is envisioned. This includes the Triodos Bank Minimum Standards, do-no-significant-harm principle under the SFDR Delegated Regulation and any relevant sector-specific negative impacts to ensure they do not cause any significant harm. Investees are excluded when they significantly harm social objectives and/or do not follow good governance practices.

### Monitoring, measuring and managing impact:

Investees frequently report on their financials, impact data and other data. The impact data relate to the type of financial products offered, the sectors that are served, additional programs such as training for customers, and the criteria from the negative screening as formulated above. An extensive review is performed annually, addressing financial and sustainability performance of the Investee to make sure they do continue to contribute to the Sub-Fund's sustainability objectives and that they do not significantly harm the sustainability objectives. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship may be discontinued. Collected quantitative and qualitative information form the basis of the AIFM's impact management efforts. The AIFM reviews its contribution to the sustainable investment objectives of the Sub-Fund and progress realised, and makes adjustments to the investment approach if and when needed.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

#### **Accelerate transitions:**

The AIFM is an active and involved investor and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions. This includes all efforts of the AIFM: besides the provision of financing to its Investees as per the other three elements of the AIFM's impact management approach described above, this includes the use of social and environmental action plans and engagement on the progress made by Investees. In case of equity investments, the Sub-fund aims to take a board position, bringing in expertise to develop environmental, social and governance aspects of the Investee.

#### **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

The Sub-Fund only invests in Investees that contribute to the Sub-Fund's sustainable investment objectives. Investees must:

- have a clear vision and mission that reveals their commitment and intention to contributing to a more social and sustainable economy;
- show evidence of clear commitment towards serving the real economy; and
- comply with the Triodos Bank Minimum Standards and the do-no-significant-harm principle under the SFDR Delegated Regulation.

#### **What is the policy to assess good governance practices of the investee companies?**

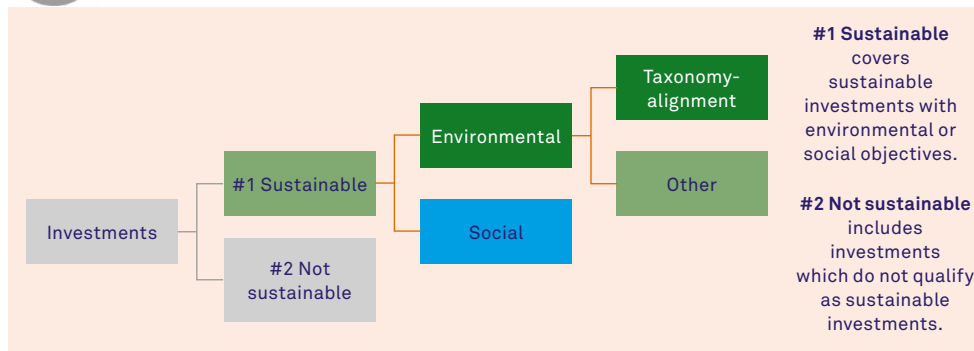
The assessment of good governance practices of Investees performed by the AIFM looks at the structure of rules, practices, and processes used to direct and manage a company or a project and aims to balance the interests of all stakeholders. It is an integral part of the due diligence phase and may vary in depth, complexity and scope depending on the Investee and context of a transaction. It covers a wide range of aspects but specifically checks for irregularities and compliance with best practices in at least the following areas: accounting, remuneration, business (mal)practices, corporate structure, disclosures, stakeholder management, anti-money and counter-terrorism financing, and taxation. At a minimum, all investments must demonstrate a sufficient level of good governance, and in case of identified controversies demonstrate an acceptable action plan for improvement in order to be considered for investment. This process is described in more detail in the Triodos IM Due Diligence Policy. The assessment of good governance practices is carried out by the investment manager or analyst and is included in the investment proposal, which is discussed and subsequently approved by the AIFM's investment committee. Existing investments undergo periodic review and monitoring, which includes the review and monitoring of good governance practices.



**Asset allocation** describes the share of investments in specific assets.



## What is the asset allocation and the minimum share of sustainable investments?



The Sub-Fund invests at least 80% of its Net Assets in sustainable investments. The remaining will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes. Due to the neutral nature of these investments, they will not qualify as sustainable investments.

Due to the illiquid nature of the investments of the Sub-Fund and the need to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, the actual percentage of sustainable investments may fall below 80% for a limited period of time of maximum twelve months. Should such a situation arise, the Sub-Fund will take reasonable actions to remedy such situation as soon as possible, taking due account of the interests of its shareholders.

### How does the use of derivatives attain the sustainable investment objective?

To allow effective de-risking of its partner MFIs and their borrowers, the Sub-Fund strives to offer as much as possible Local Currency financing. In parallel, in order to mitigate open market exposures, the Sub-Fund fully hedges the principal of each investment against the Sub-Fund's Reference Currency and, to the extent economical to do so, the Sub-Fund also seeks to hedge Local Currency interest flows. Derivatives are always related to MFI investments and therefore captured in the MFI investment portfolio.

The Sub-Fund's preference for Local Currency lending reflects both market demand as well as the impact objective of strengthening responsible finance and the financial stability of the MFIs and their clients in line with the sustainable investment objective of the Sub-Fund.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund has a social sustainable investment objective and thus, it does not commit to make sustainable investments aligned with the Taxonomy Regulation.

### Does this financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>

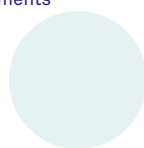
- Yes
- In fossil gas
- In nuclear energy

No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

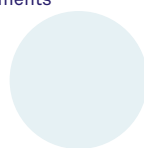
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

- 0% Taxonomy-aligned (no fossil gas & nuclear)
- 100% Non Taxonomy-aligned



#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- 0% Taxonomy-aligned (no fossil gas & nuclear)
- 100% Non Taxonomy-aligned



This graph represents up to 100% of the total investments. As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds, if any, in the Sub-Fund's investment portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund has a social sustainable investment objective and thus, it does not commit to make sustainable investments aligned with the Taxonomy Regulation.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As the Sub-Fund has a social objective, it does not aim to invest in Taxonomy-aligned activities.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



### What is the minimum share of sustainable investments with a social objective?

At least 80% of the investments of the Sub-Fund will be sustainable investments that contribute to a social objective.



### What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Although the Sub-Fund does not plan to have other investments than sustainable investments, it can hold cash and liquid assets as ancillary liquidity as well as currency derivatives. These assets do not affect the delivery of the sustainable investment objectives of the Sub-Fund on a continuous basis. Firstly, they are used – in limited proportion – to support the proper liquidity and risk management of the Sub-Fund. The Sub-Fund aims to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests whilst remaining invested in relatively illiquid investments that contribute to the sustainable investment objectives of the Sub-Fund. As the Sub-Fund only hedges to limit currency risk, the hedging does not affect the sustainability objective of the fund either. Secondly, the AIFM regularly assesses whether the counterparties for these assets comply with the four pillars of the UN Global Compact, using data from a third-party provider. UN Global Compact is a principle-based framework that calls companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the AIFM assesses its counterparties’ policies and sustainability performance.



### Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable.



### Where can I find more product specific information online?

More product-specific information can be found on the website:  
<https://www.triodos-im.com/funds/triodos-microfinance-fund>

# Sustainability Annex: Triodos SICAV II – Triodos Emerging Markets Renewable Energy Fund

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:** Triodos Emerging Markets Renewable Energy Fund  
**Legal entity identifier:** 5493001X6EPNO68XQN34

## Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 80%</b>  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments  <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b>



### What are the sustainable investment objectives of this financial product?

The overall objective of the Sub-Fund is to offer investors an environmentally and socially sound investment in renewable energy in developing countries and emerging economies, with the prospect of long-term capital growth combined with the opportunity to contribute to the clean energy transition.

The sustainable investment objectives of the Sub-Fund are:

- To increase renewable energy capacity
- To provide access to clean and affordable energy; and
- To promote economic and social opportunities.

To attain the sustainable investment objectives, the Sub-Fund will invest, either directly or indirectly, in Investees in developing countries and emerging economies in the grid-connected utility scale segment and the C&I sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The Sub-Fund uses among others the following indicators to measure, monitor and report its sustainability performance, with regard to its sustainable investment objectives:

- To increase renewable energy capacity:
  - MW production
  - Tonnes of CO<sub>2</sub> emissions avoided
- To provide access to clean and affordable energy:
  - Number of C&I clients connected to clean, reliable and affordable energy
  - Number of households connected to clean, reliable and affordable energy
- To promote economic and social opportunities:
  - New direct jobs
  - Number of community development programs

The performance of such indicators is a consequence of the investment strategy of the Sub-Fund and not a result of targeting specific indicator results.

### **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

To select only those investments that do not cause significant harm to the Sub-Fund's environmental sustainable investment objectives, every new investment is assessed in line with the Triodos Bank Minimum Standards. If an Investee is found to cause significant harm, it is excluded from investment. All applicable principal adverse impact indicators on sustainability factors are taken into account in the investment process. The Triodos Bank Minimum Standards, that is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, also sets out the minimum standards for employee relations, remuneration, taxes and other corporate governance topics that Investees must meet in order to be eligible for investment.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The mandatory indicators for adverse impact on sustainability factors and two selected optional indicators on sustainability factors are analysed and assessed as part of the overall investment process. The AIFM selected one environmental optional principal adverse impact (PAI) indicator from Table 2 and one social optional PAI indicator from Table 3 of Annex I of the SFDR Delegated Regulation, in particular no. 4. Investments in companies without carbon emission reduction initiatives and no. 15. Lack of anti-corruption and anti-bribery policies respectively.

The data for the mandatory and optional PAI indicators is collected during the due diligence on Investees and is based either on information obtained directly from the Investee, a third-party expert, or on information from public sources. In case information is not (yet) available or not feasible to obtain, the AIFM uses proxy indicators supplied by reputable institutions with experience in the relevant industry. Both the assessment and the conclusions of the potential adverse impacts on sustainability factors as well as the positive impact of the Sub-Fund's investments are recorded and translated into monitoring and reporting items in line with the Triodos IM Due Diligence Policy.

For the selection of the optional PAI indicators, the AIFM has assessed the degree of relevance and data availability from an entity perspective. The level of harm is assessed within the context of the Sub-Fund and the Investee. The PAI indicators are classified as low, medium or high level of (potential) harm. In case a medium or high level of harm is assessed for a certain PAI indicator, the investment team provides further clarification and to what extent this can be mitigated and managed by the Investee and/or by the AIFM. In case no satisfactory clarification nor mitigatory measures are possible, the Investee is not deemed suitable for investment. When proxy data is the only data available (country and sector level data), a qualitative assessment of the Investee exposure is discussed in the investment proposal for medium and high levels of harm. When PAI indicators are not applicable (for example the availability of certain policies for small enterprises), the investment team can apply qualitative assumptions as per the Triodos IM Due Diligence Policy.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Prior to being selected for investment and for the entire duration of the investment, (potential) Investees are screened in line with the Triodos Bank Minimum Standards that sets out the products, processes and activities that the AIFM excludes from investments. The Triodos Bank Minimum Standards cover the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Such due diligence screening takes place according to the Triodos IM Due Diligence Policy and includes both desk research and, where applicable, on-site due diligence. An integral part of this process constitutes the assessment of governance, employee relations, customer treatment, tax arrangements and sustainability risks, as well as checks of policies and mechanisms to ensure alignment with the above-mentioned standards depending on the nature of the investment in question. Should a breach take place after investing, the AIFM engages with the Investee to remediate the breach or assesses whether divestment is required.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes  No

A selection of PAI indicators considered to be most material for the Sub-Fund is the mandatory PAI indicators '1. Green house gas emissions', '10. Violations of UN Global Compact principles and Organisation for Economic Cooperations and Development (OECD) Guidelines for Multinational Enterprises' and '11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises'. These three PAI indicators are monitored and assessed on an annual basis at Sub-Fund level. The analysis as well as trends are discussed in the Sub-Fund's Impact Financial Risk Committee, which amongst others reviews and monitors financial risks (including sustainability risks). Based on the analysis and discussion, the AIFM may develop specific targets, actions and engagement topics to be set for the Sub-Fund. Information on the PAIs will be available in the future periodic reports of the Sub-Fund.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



## What investment strategy does this financial product follow?

The AIFM adopts an impact management approach into the investment process in order to attain the sustainable investment objectives of the Sub-Fund:

### **Analyse transformative potential:**

Each Investee that is selected for the Sub-Fund's investment portfolio should positively contribute to at least one of the sustainability objectives of the Sub-Fund. The Sub-Fund therefore primarily invests, either directly or indirectly, in Investees in developing countries and emerging economies in the grid-connected utility scale segment and the C&I sector, and in addition in other renewable energy segments, including off-grid solutions (such as mini-grids), storage and energy efficiency. Developing countries and emerging economies are expected to face the strongest growth in power demand, while being particularly vulnerable to climate change and typically having underdeveloped energy systems. The grid-connected utility scale and C&I investments will enable the production of clean energy at a large scale, which directly links to the sub-Fund objective to increase renewable energy capacity. The Sub-Fund's investments into off-grid solutions allow parts of the population which are not yet connected to the grid to gain access to clean and affordable energy, while at the same time promoting economic and social opportunities.

### **Mitigate negative impact:**

Investees are screened against negative impact on people and planet (inside-out lens) that could jeopardise the sustainable transition that is envisioned. This includes the Triodos Bank Minimum Standards, do-no-significant-harm principle under the SFDR Delegated Regulation and any relevant sector-specific negative impacts to ensure they do not cause any significant harm. Investees are excluded when they significantly harm social objectives and/or do not follow good governance practices.

### **Monitoring, measuring and managing impact:**

Investees frequently report on their financial, impact data and ESG performance. The impact data relate to the renewable energy produced, clients connected, and economic and social opportunities created. An extensive review is performed annually, addressing environmental and sustainability performance of the Investee to make sure they do continue to contribute to the Sub-Fund's sustainability objectives and that they do not significantly harm them. In case of concerns, dialogue will be initiated and if this is deemed unsuccessful the relationship, may be discontinued. The Sub-Fund has the possibility to terminate the contractual agreement with debt Investees in case the implications of the breach with the sustainable investment criteria are considered to be unacceptably high or in case the Investee does not show willingness to improve its sustainability approach. Collected quantitative and qualitative information form the basis of the AIFM's impact management efforts. The AIFM reviews its contribution to the sustainable investment objectives of the Sub-Fund and progress realised, and makes adjustments to the investment approach if and when needed.

### **Accelerate transitions:**

The AIFM is an active and involved investor and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions. This includes all efforts of the AIFM: besides the provision of financing to its Investees as per the other three elements of the AIFM's impact management approach described above, this includes the use of social and environmental action plans and engagement on the progress made by Investees.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

### What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The Sub-Fund only invests in Investees that contribute to the Sub-Fund’s sustainable investment objectives. Investees must:

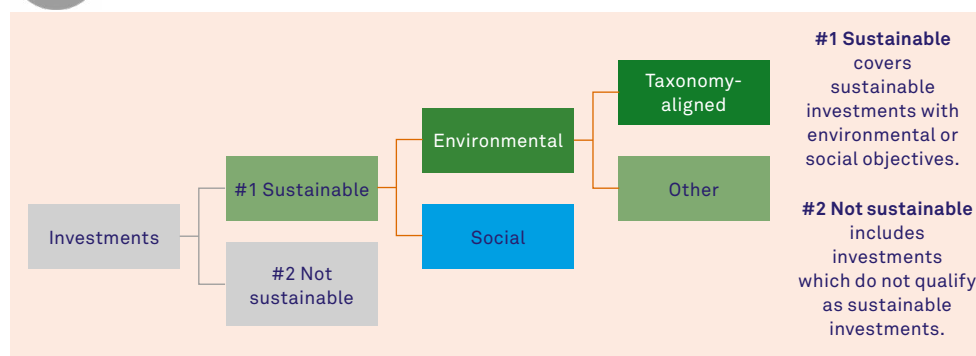
- generate clean energy and increase the total share of renewable energy in the energy mix in emerging markets, thereby reducing carbon emissions; and/or
- improve access to reliable and affordable energy for all. This includes supporting countries, communities and commercial clients to be self-sufficient by producing energy where it’s consumed (democratisation of energy); and/or
- execute in close cooperation with local communities and promote economic and social opportunities within the area of influence of the project; and
- comply with the Triodos Bank Minimum Standards and the do-no-significant-harm principle under the SFDR Delegated Regulation.

### What is the policy to assess good governance practices of the investee companies?

The assessment of good governance practices of Investees performed by the AIFM looks at the structure of rules, practices, and processes used to direct and manage a company or a project and aims to balance the interests of all stakeholders. It is an integral part of the due diligence phase and may vary in depth, complexity and scope depending on the Investee and context of a transaction. It covers a wide range of aspects but specifically checks for irregularities and compliance with best practices in at least the following areas: accounting, remuneration, business (mal)practices, corporate structure, disclosures, stakeholder management, anti-money and counter-terrorism financing, and taxation. At a minimum, all investments must demonstrate a sufficient level of good governance, and in case of identified controversies demonstrate an acceptable action plan for improvement in order to be considered for investment. This process is described in more detail in the Triodos IM Due Diligence Policy. The assessment of good governance practices is carried out by the investment manager or analyst and is included in the investment proposal, which is discussed and subsequently approved by the AIFM’s investment committee. Existing investments undergo periodic review and monitoring, which includes the review and monitoring of good governance practices.



### What is the asset allocation and the minimum share of sustainable investments?



The Sub-Fund invests at least 80% of its Net Assets in sustainable investments. The remaining will be cash or cash equivalents held as ancillary liquidity and derivatives for hedging purposes. Due to the neutral nature of these investments, they will not qualify as sustainable investments.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

During the 48 months following the launch date of the Sub-Fund and in order to allow for the build-up of the investment portfolio, the actual percentage of sustainable investments may fall below 80% due to a higher amount of cash or cash equivalents in the Sub-Fund's portfolio.

After that time and due to the illiquid nature of the investments of the Sub-Fund and the need to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, the actual percentage sustainable investments may fall below 80% for a limited period of time of maximum twelve months. Should such a situation arise, the Sub-Fund will take reasonable actions to remedy such situation as soon as possible, taking due account of the interests of its shareholders.

### How does the use of derivatives attain the sustainable investment objective?

The Sub-Fund does not use derivatives to attain the sustainable investment objective.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

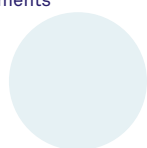
### Does this financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas
- In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

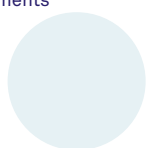
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

- 0% Taxonomy-aligned (no fossil gas & nuclear)
- 100% Non Taxonomy-aligned



#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- 0% Taxonomy-aligned (no fossil gas & nuclear)
- 100% Non Taxonomy-aligned



This graph represents up to 100% of the total investments. As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds, if any, in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

### What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The investments of the Sub-Fund are made in the following clean energy segments:

- Wind power
- Hydropower (small and medium run-of-the-river)
- Solar PV
- Mini-grid and off-grid solutions
- Other more innovative technologies, including but not limited to, energy storage and energy efficiency.

These activities are eligible activities under the EU Taxonomy. However, since the Sub-Fund invests mainly in emerging markets, there are various challenges in determining taxonomy-alignment. Firstly, unlike EU-based assets, non-EU assets are not subject to mandatory taxonomy reporting requirements and thus, they do not disclose information on their taxonomy-alignment. This lack of standardised reporting mechanisms and data availability makes it challenging to comprehensively evaluate and confirm taxonomy alignment.

Moreover, the EU Taxonomy criteria are designed with a strong reference to compliance with specific EU regulations. For assets outside the EU, the EU Taxonomy allows in certain cases for compliance with the IFC Performance Standards as equivalent to the taxonomy criteria (i.e. in relation to the assessment and management of environmental and social risks). The assets of the Sub-Fund comply with the IFC Performance Standards. However, IFC Performance Standards are not completely aligned with the taxonomy criteria, thus compliance with these standards is not sufficient. Furthermore, there is currently unclarity regarding the level of proof that is required to demonstrate compliance with the taxonomy criteria. In the absence of adequate proof, the regulatory expectation is a disclosure of 0% taxonomy-alignment.

Therefore, due to the lack of clear regulatory guidance regarding the correct interpretation and application of the taxonomy criteria in emerging markets and in order to ensure transparency towards investors and to comply with regulatory expectations, the Sub-Fund takes a prudent approach and commits to 0% taxonomy-alignment. The Sub-Fund is actively monitoring developments related to the EU Taxonomy and will revisit its approach and disclosures following any further regulatory guidance on this topic. The investment strategy regarding the above-mentioned clean energy segments and extensive due diligence remains unchanged.



### What is the minimum share of sustainable investments with a social objective?

All investments are contributing primarily to an environmental objective. Thus, 0% of the sustainable investments of the Sub-Fund contribute to a social objective.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



## What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

Although the Sub-Fund does not plan to have other investments than sustainable investments, it can hold cash and liquid assets as ancillary liquidity as well as currency derivatives.

These assets do not affect the delivery of the sustainable investment objectives of the Sub-Fund on a continuous basis. Firstly, they are used – in limited proportion – to support the proper liquidity and risk management of the Sub-Fund. The Sub-Fund aims to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests whilst remaining invested in relatively illiquid investments that contribute to the sustainable investment objectives of the Sub-Fund. As the Sub-Fund only hedges to limit currency risk, the hedging does not affect the sustainability objective of the fund either. Secondly, the AIFM regularly assesses whether the counterparties for these assets comply with the four pillars of the UN Global Compact, using data from a third-party provider. UN Global Compact is a principle-based framework that calls companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the AIFM assesses its counterparties’ policies and sustainability performance.



## Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable.



## Where can I find more product specific information online?

More product-specific information can be found on the website:  
<https://www.triodos-im.com/funds/triodos-emerging-markets-renewable-energy-fund>