

Triodos Vastgoedfond

Quarterly Report Q3 2019

Profile

Triodos Vastgoedfond is an active impact investor making real estate more sustainable. It aims to lead the Dutch office market forward by enhancing environmental performance and to contribute positively to social aspects of real estate, while generating a balanced return for its shareholders. Triodos Vastgoedfond has a consistent track record in delivering a solid dividend.

Key figures as of 30-09-2019

Net assets

EUR 54.3 million

Total assets (excluding leases)

EUR 55.3 million

Number of shares outstanding

16,515,754

Trading price

EUR 3.33

NAV per share

EUR 3.29

Dividend per 11-06-2019

EUR 0.20

Dividend yield 2018

7.5%

Ongoing charges (as per 30-06-2019)

5.18% (incl. 1.0% management fee)

Fund facts

Fund manager Guus Berkhout

Inception date 08-04-2004

Management company

Triodos Investment Management BV

Currency EUR

Domicile The Netherlands

Fund structure

Investment company with variable capital

Legal form

Closed-end, limited liability company

ISIN code NL0000079333

Bloomberg code TRIOVGF:NA

Custodian

BNP Paribas Securities Services S.C.A.

Auditor

PwC Accountants NV

Headlines

- The fund has sold the properties in its portfolio to two parties for a gross amount of EUR 117 million (excluding costs to sell), which was above book value.
- On 16 September 2019, the fund finalised the transfer of the properties.
- An interim payment of EUR 2.60 per share was provided to shareholders beginning of October 2019.
- On 29 October 2019, an Extraordinary General Meeting of Shareholders is scheduled to resolve on the dissolution of the fund.

Comments of the fund manager

During the quarter, Triodos Vastgoedfond concluded an agreement with two parties to sell the properties in its portfolio. The property on the Herengracht in Amsterdam has been sold to HighBrook Investors, a private equity real estate investor. The remaining 15 properties in the portfolio have been sold to a foundation that intends to continue the sustainable exploitation of the portfolio.

Following the successful transfer of the properties on 16 September 2019, the fund convened an Extraordinary General Meeting of Shareholders (EGM), which is scheduled to take place on 29 October 2019. The agenda of this EGM contains the proposal to dissolve Triodos Vastgoedfond as per the date of the EGM, the proposal to appoint Triodos Investment Management as registrar of the books and other records after finalising the liquidation, and the proposal to give discharge to Triodos Investment Management and the Supervisory Board for the management and the supervision conducted until the moment of dissolving the fund.

At the end of September, the fund announced an interim payment to shareholders. Prior to providing the interim payment to shareholders, the fund repaid outstanding borrowings and has settled costs related to the sale of the properties. The costs related directly to activities required to sell the portfolio amounted to EUR 2.1 million and were in line with the estimate provided earlier in the year. This amount consisted of the 1% disposition fee paid to Triodos IM, and the fees for the real estate agent and external legal advisors. Since the transport of the properties in the portfolio, the fund is no longer paying a management fee to Triodos Investment Management, the manager of the fund.



Guus Berkhout
Fund Manager

The costs for early repayment of outstanding borrowings amounted to EUR 3.5 million¹ and were higher than anticipated. The reason for this increase is a decline of market interest rates, leading to an increase of the penalty fees for early repayment of the outstanding borrowings

The interim payment provided to shareholders in October was EUR 2.60 per share. In determining the height of this interim payment, all ongoing obligations of the fund until settlement have been taken into account.

¹ At the end of September the fund announced that the costs for early repayment of outstanding borrowings amounted to EUR 3.6 million, but the final settlement of the repayment of outstanding loans have resulted in a downward adjustment to EUR 3.5 million.

Outlook

The fund intends to distribute the remaining net assets through a final payment to shareholders in the first quarter of 2020. At the end of September, the fund announced that the final payment is expected to be EUR 0.58 to EUR 0.62 per share. The final payment might be lower or higher, depending on whether new obligations arise, or existing obligations turn out to be higher or lower than anticipated.

The exact timing of the final distribution to shareholders in the first quarter of 2020 will depend on the process involved in settling the fund. As soon as more information is available, this will be shared with the fund's shareholders.

Review Q3 2019

Result

EUR x 1,000	YTD 2019	YTD 2018
Gross rental income	5,531	4,341
Other income from investments	6	3
Net service charges	-5	-146
Property expenses	-905	-573
Net rental income	4,627	3,625
Management costs	-1,213	-769
EBIT	3,414	2,856
Funding charges	-4,136	-632
Direct result	-722	2,224
Indirect result	4,650	-305
Net result	3,928	1,919

Per share ²	YTD 2019	YTD 2018
Direct result	-0.04	0.12
Indirect result	0.28	0.00
Net result	0.24	0.12

Balance sheet

EUR x 1,000	30-09-2019	30-09-2018
Real estate assets	-	98,490
Net debt	-	45,000
Equity	54,326	53,504

² The weighted average number of shares outstanding (x 1,000) is 16,516.

Financial results

Rental income

The gross rental income rose from EUR 4.3 million (YTD 2018) to EUR 5.5 million (YTD 2019).

Property expenses increased from EUR 573,000 (YTD 2018) to EUR 905,000 (YTD 2019). As a result, net rental income increased from EUR 3.6 million to EUR 4.6 million.

Management costs

The management costs increased to EUR 1,213,000 (YTD 2018: EUR 769,000). This increase was due to the growth of the portfolio.

Interest costs

The interest costs increased significantly from EUR 0.6 million (YTD 2018) to EUR 4.1 million (YTD 2019). This is partly due to the breaking costs of 2.9 million (YTD 2019) and partly due to the increase of the loans during 2018 and 2019.

Indirect result

The indirect result amounted to EUR 4.6 million (YTD 2019) and is the result of the divestments less the (in)direct costs regarding the sale of the real estate portfolio.

Triodos Investment Management

Triodos Investment Management is a dedicated impact investment manager, making money work for positive change across sectors that are key in the transition to a world that is fairer, more sustainable, and humane, including Energy & Climate, Financial Inclusion and Sustainable Food & Agriculture. We also invest in listed companies that offer products and services, which facilitate the transition to a sustainable society. Assets under management as per end of June 2019: EUR 4.6 billion.

Triodos Investment Management is a globally active impact investor and consists of Triodos Investment Management BV and Triodos Investment & Advisory Services BV, both wholly-owned subsidiaries of Triodos Bank NV.

Contact

To find out more about our six investment strategies please contact our Investor Relations staff in Europe.

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Triodos Vastgoedfonds NV is a closed-end public limited liability company incorporated and organized under the laws of the Netherlands. The fund invests in physical commodities, namely real estate office buildings in the Netherlands. Triodos Vastgoedfonds is managed by Triodos Investment Management BV. Triodos Vastgoedfonds is registered with AFM (Netherlands Authority for the Financial Markets). BNP Paribas Securities Services S.C.A. acts as the depositary for Triodos Vastgoedfonds. The prospectus and the annual and semi-annual reports may be obtained free of charge via Triodos Investment Management in Zeist +31 (0)30 694 24 00 or www.triodos.com.