Triodos Renewables Europe Fund

a sub-fund of Triodos SICAV II

Annual report 2018

Triodos Investment Management

Energy and Climate

For a transition from a carbon-based economy to a sustainable economy, it is essential to reduce energy demand, to use energy as efficiently as possible and to invest massively in renewable energy systems, while switching to low carbon fuels.

Triodos SICAV II - Triodos Renewables Europe Fund Annual report 2018

Triodos Renewables Europe Fund is a sub-fund of Triodos SICAV II (Société d'Investissement à Capital Variable), which is established in the Grand Duchy of Luxembourg. Triodos SICAV II, including its sub-funds, is supervised by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier (CSSF). Triodos Investment Management BV is the external alternative investment fund manager of Triodos SICAV II - Triodos Renewables Europe Fund. Triodos Investment Management BV is incorporated under the laws of the Netherlands and is a wholly-owned subsidiary of Triodos Bank NV. Triodos Investment Management BV is supervised by the Dutch regulator, Autoriteit Financiële Markten.

The value of investments may fluctuate. Past performance is no guarantee of future results.

No subscription can be accepted on the basis of financial reports. Subscriptions are only valid if they are made on the basis of the latest published prospectus accompanied by the latest annual report and the most recent semi-annual report, if published thereafter. The prospectus is available free of charge at the registered office of Triodos SICAV II in Luxembourg and from Triodos Investment Management BV: www.triodos-im.com.

Key figures

(amounts in EUR)	2018	2017	2016	2015	2014
Net assets (end of reporting period)	83,611,149	69,112,607	72,890,787	64,094,871	61,972,666
Income	4,357,099	3,220,144	3,140,864	2,464,630	3,160,185
Expenses	2,096,860	1,988,739	1,791,092	1,690,343	1,526,991
Net operating gain/loss	2,260,239	1,231,405	1,349,772	774,287	1,633,194
Realised and unrealised gains/ losses on investments	6,252,888	-2,801,082	-293,815	1,996,564	567,534
Net result	8,513,127	-1,569,677	1,055,957	2,770,851	2,200,728
Ongoing charges per share class*					
R-cap (EUR)	3.02%	3.02%	2.97%	3.07%	2.85%
I-cap (EUR)	2.57%	2.46%	2.42%	2.45%	2.49%
Z-cap (EUR)	2.52%	2.51%	2.45%	2.53%	2.48%

Net asset value (NAV) per share

(amounts in EUR)	December 27, 2018	December 28, 2017	December 29, 2016	December 31, 2015	December 29, 2014
R-cap (EUR)	34.11	31.33	32.16	31.84	30.59
I-cap (EUR)	36.63	33.45	34.14	33.60	32.09
Z-cap (EUR)	29.86	27.28	27.85	27.43	26.20

Return based on NAV per share**

	1-year return	3-year return p.a.	5-year return p.a.	10-year return p.a.	Average return p.a. since inception
R-cap (EUR)	8.9%	2.3%	2.9%	2.1%	2.5%
I-cap (EUR)	9.5%	2.9%	3.5%	2.7%	3.1%
Z-cap (EUR)	9.5%	2.9%	3.5%	2.4%***	2.8%***

* The ongoing charges reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges are calculated over the twelve-month period ending at the end of the reporting period.
** NAV per share is based on share prices per December 27, 2018, i.e. the last price at which shares were traded in the reporting period
*** The Z-share class has a limited history. Returns prior to the launch date of the Z-share class are based on the returns of the comparable R - share class.

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Report of the Alternative Investment Fund Manager

General Information

Legal structure

Triodos Renewables Europe Fund (the fund) was launched in June 2006 as a sub-fund of Triodos SICAV II. The fund has a semi open-end fund structure and is not quoted on any stock market. Triodos Renewables Europe Fund has euro-denominated share classes for retail and institutional investors.

Triodos SICAV II was incorporated under the laws of the Grand Duchy of Luxembourg as a “société d’investissement à capital variable” (SICAV) in the form of a “société anonyme” on April 10, 2006, for an unlimited period. Triodos SICAV II is governed by Part II of the Luxembourg Law of December 17, 2010, as amended. Triodos SICAV II is an alternative investment fund (AIF) subject to the requirements of Directive 2011/61/EU of June 8, 2011 on Alternative Investment Fund Managers (AIFMD), as implemented in Luxembourg through the law of July 12, 2013 on alternative investment fund managers. Triodos SICAV II, including its sub-funds, is supervised by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier (CSSF). The registered office of Triodos SICAV II is established at 11-13, Boulevard de la Foire, L-1528 Luxembourg.

Triodos Renewables Europe Fund incorporated Triodos S II LuxCo S.à r.l. in February 2011. Triodos S II LuxCo S.à r.l. acts as a holding entity for a selection of investments made by the fund.

Investment policy

Triodos Renewables Europe Fund invests primarily in renewable energy producing project companies. These project companies produce energy from natural resources such as wind, sun and hydropower. The fund does not invest in renewable energy technology or technology providers. The main focus of the fund is on investments in wind farms, solar photovoltaic (PV) and solar thermal installations and small hydro projects. Typically, these installations are privately owned and/or operated by a special purpose company.
Triodos Renewables Europe Fund invests in equity and/or quasi-equity, such as shareholder loans and preferred capital, and in subordinated debt in qualifying investments. The fund primarily invests in project companies that operate existing renewable energy power plants or newly developed plants/installations at financial close that constitute well-developed projects.

Alternative Investment Fund Manager

The Board of Directors of Triodos SICAV II has appointed Triodos Investment Management BV (Triodos Investment Management) as the Alternative Investment Fund Manager (AIFM) of Triodos SICAV II. Triodos Investment Management is incorporated under the laws of the Netherlands and is a wholly-owned subsidiary of Triodos Bank NV (Triodos Bank). Triodos Investment Management is supervised by the Dutch regulator, Autoriteit Financiële Markten (AFM). The Management Board of Triodos Investment Management consists of:
Jacco Minnaar (Chair as of January 1, 2019)
Kor Bosscher (as of March 1, 2018)
Marilou van Golstein Brouwers (Chair until January 1, 2019)
Dick van Ommeren

Depositary and Paying Agent, Domiciliary, Corporate and Administrative Agent, Registrar and Transfer Agent

RBC Investor Services Bank SA (RBC Investor Services Bank) has been appointed as depositary for Triodos SICAV II. Furthermore, RBC Investor Services Bank acts as Paying Agent, Domiciliary, Corporate and Administrative Agent, and Registrar and Transfer Agent for Triodos SICAV II.

Market developments

Even though public awareness of climate change is increasing, international commitment to taking decisive action in the face of this crisis has remained sluggish. This year, the US, one of the world's leading emitters, has positioned itself to withdraw from the Paris Agreement at the earliest possible opportunity. In December 2018, COP24, the biggest climate change meeting since the Paris Agreement was signed in 2015, was held in Katowice, Poland. Reactions to the outcome of COP24 were mixed. Whereas carbon emissions are on the rise globally, many participants were disappointed by the perceived lack of ambition, i.e. the failure to make an unequivocal pledge to limit the global temperature rise to 1.5°C. On the other hand, large parts of the Paris rulebook - the operating manual needed for when the 2015 Paris Climate Agreement enters into force in 2020 – were eventually agreed upon.
In June, the European Commission agreed a new binding target for the renewable share of electricity in Europe, which must reach 32% by 2030, up from the current 2020 target of 20%. The abolishment of the minimum import price by the European Commission has resulted in a further drop in prices of PV cells and modules and therefore the cost of solar power, helping to boost solar development in Europe. New European Directives were also put in place this year to address energy efficiency in buildings and reduce emissions produced by the transport sector. Despite the incentives and regulation put in place by the EU, change is not occurring fast enough. While some EU countries, including Sweden and Italy, are on track to exceed their 2020 renewable targets, according to Bloomberg New Energy Finance seven member states are currently at risk of missing their goals. France, the Netherlands, Ireland and Greece are running far behind their 2020 targets.

- **France** recently withdrew its plan to increase fuel tax, following the widespread gilets jaunes protests that brought Paris to a standstill, and announced plans for the closure of nuclear plants that are less ambitious than previously envisaged. Electricité de France SA must shut four to six reactors by 2030 as part of government plans to reduce the reliance on nuclear power to 50% by 2035.
- In **Belgium**, the government's aim is to replace the country's nuclear generation capacity by a mix of renewables and gas, in tandem with increased flexibility realised by means of interconnectors, storage and demand response. Belgium aims for renewable energy to make up 13% of its energy mix by 2030.
- In the **Netherlands**, after several months of discussion and negotiation, the draft of a comprehensive Climate Agreement was presented to the Dutch government. As an acknowledged expert in financing renewable energy projects, Triodos Bank had an active role in the drafting of the National Climate Agreement, chairing the electricity sector platform and two task groups that discussed the financing of various parts of the Agreement.
- In **Germany**, the share of renewables in the power mix exceeded that of coal for the first time. According to the Fraunhofer Institute, renewables generated just over 40% of Germany's electricity in 2018, overtaking coal's 39% share. This was due to a 20% increase in solar capacity, the shuttering of older coal plants and favourable weather conditions that helped green sources edge ahead. But deteriorating project development conditions for onshore wind have recently resulted in undersubscribed auctions, making it harder for the government's to realise its aim of phasing out coal and lignite plants and doing away with these fuels sometime between 2035 and 2038.
- **Spain** is set for a big rebound in 2019. After investments dried up in 2014 as feed-in tariffs for solar PV were cut retroactively, the Spanish government has made significant efforts to revive the industry. This year, Spain's new energy minister suspended the controversial 7% "sun" tax to reduce Spain's spiralling energy costs for households, as well as any obstacle to the development of solar power self-consumption models for households and businesses.

- In the UK, there is a great deal of uncertainty about the outcome of Brexit, as well as the future auction rounds for large-scale renewable projects scheduled for May 2019.
- Wholesale electricity prices recovered in 2018 and short-term forecasts increased, triggered by a recovery of oil and gas prices and higher carbon prices. The price of carbon, set through the EU Emission Trading Scheme, rose sharply in the final months of 2018 in anticipation of new EU reforms that will be introduced in 2019 and will reduce the available quotas and put pressure on the price of carbon in the EU. This is great news for the energy transition, as the carbon price makes fossil fuel generators, and coal in particular, less profitable. Long-term power price forecasts were downgraded in reaction to lower gas price forecasts for the years beyond 2020, as well as adjustments to renewable energy penetration rates following accelerated cost reductions and adjustments of government policies. These forecasts were incorporated in the fund's valuation during 2018.

Investments

At year-end 2018, Triodos Renewables Europe Fund held investments in 22 different renewable energy projects and portfolios. The fund invests directly in these projects through equity participations, shareholder loans and/or subordinated loans. The total generation capacity of the projects in which the fund has invested is 250 MW (2017: 244 MW). The first energy efficiency project that the fund has invested in involves the installation of over 9,000 energy-saving streetlights (LED) in several Spanish villages. The amount of energy that this project will save is estimated to be equivalent to the electricity consumption of approximately 900 households. As a result, over 1,600 tonnes in CO_2-emissions will be avoided annually.

The fund made three new investments during 2018, increased its stakes in existing solar PV portfolio assets, sold two of its Spanish PV assets and enhanced several project-related contracts, thus reducing operational costs and the cost of debt.

In 2018, the fund increased its equity share in Silvius Sun, a portfolio of solar roof-top projects located in Belgium, to 80%. This investment provided the developer with the funds to realise new projects. The fund furthermore enjoyed a significant increase in valuation as a result of the refinancing of Lucentum, an operational solar PV asset in Spain that suffered several subsidy cuts in recent years. The financing of senior debt was redrafted and financing conditions improved, most notably through more favourable, lower interest rates. The fund reached an agreement with long-term partner SolarAccess about the development of roof-top solar PV projects in the Netherlands. SolarAccess will provide the technical expertise for the construction and day-to-day management of the plants, whilst Triodos Renewables Europe Fund will provide the financial expertise and the required capital to build the plants and expand the portfolio. This transaction builds on the existing relationship between Triodos Renewables Europe Fund and SolarAccess, a partnership that owns projects in the Netherlands, Belgium and Italy. The new portfolio comprises a mix of projects that are operational, under construction and in development. The full realisation of the pipeline will increase the fund's solar portfolio capacity by 60%, adding generating capacity equivalent to the electricity consumption of 10,000 Dutch households.

Furthermore, the fund successfully closed its first deal in the field of energy efficiency. The investment consists of a portfolio of street and building light projects, serving several municipalities across Spain. This investment is part of the fund's strategy to accelerate the energy transition by targeting the end-users of electricity and reducing their energy consumption. This investment is a good example of the evolving landscape, in which lighting is seen as a service rather than a product.

Together with our UK Triodos branch, the fund also financed Stoneshill, an operational 5 MWp ground-mounted solar PV project located in Willand, in South West England.

Finally, the fund sold two Spanish solar PV assets, Aznalcollar and Los Cabezos, for a higher price than anticipated, which reflects the increased confidence in the Spanish market for renewable energy projects.

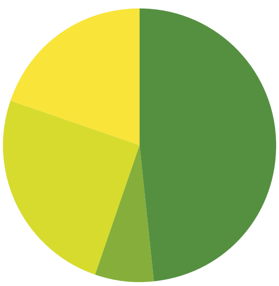
This year, the fund filed a claim against the Spanish government with an international arbitration court, asking for compensation for the financial losses it incurred as a result of the retroactive changes in the Spanish regulatory regime. It is expected that it will take several years before the arbitration claim is settled and an award is potentially granted and ultimately received. Given the lengthy process and the uncertainty about the outcome of the claim, at this stage no value is attributed to the claim that has been filed.

Fund data, December 31, 2018

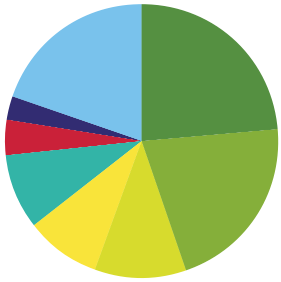
Net assets	EUR 83,611,149
Portfolio value	EUR 67,138,365
Number of equity investments*	32
Number of subordinated loans*	7
Number of projects	22
Number of countries	7

* Shareholder loans are classified as equity investments. A project can comprise multiple equity investments and/or subordinated loans.

Asset allocation (% of fund's net assets), December 31, 2018

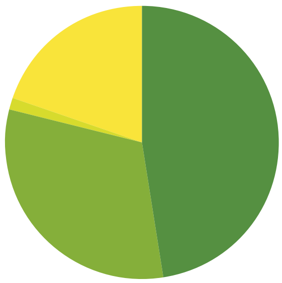


Country allocation (% of fund's net assets), December 31, 2018



* The investment in Italy was made through a Dutch parent company.

Sector allocation (% of fund's net assets), December 31, 2018



The fund's weighted average portfolio discount rate increased to 8.1 % as at the end of 2018 (2017: 7.6%).

Results

Financial results

During 2018, Triodos Renewables Europe Fund's net assets increased to EUR 83.6 million (2017: EUR 69.1 million). The fund closed its financial year with net operating income of EUR 2.3 million (2017: EUR 1,2 million). The fund received EUR 4.4 million in dividends and interest income. In addition, the fund received EUR 2.6 million in subordinated debt repayments, resulting in a cash yield on a portfolio level of 7.2% (2017: 5.8%). Operational improvements and favourable changes in macro-economic factors led to an unrealised appreciation of investments of EUR 7.6 million (unrealised depreciation in investments 2017: EUR 3,1 million). The net result was EUR 8.5 million (2017: EUR -1.6 million).

Return

The net return of the fund (I-cap) in 2018 was 9.5% (2017: -2.0%).

The positive performance is attributable to financial and operational improvements, which increased the value of several assets in the portfolio: the refinancing of Lucentum that lowered financing costs, better-than-expected audited accounts for some of our wind assets, and a successfully negotiated new power purchase agreement for our Dutch assets. In addition, updated information on market prices for Spanish renewable projects received as a result of the sale of two assets led to an increase in the valuation of remaining assets in portfolio. These positive developments have more than offset the negative impact of the lower generation level in 2018 and the reduced power price forecasts.

Liquidity

The liquidity percentage of the fund increased to 20.4% of the fund's net assets at year-end 2018 (2017: 15.5%). At the end of 2018, liquidity was relatively high due to a combination of higher net inflows, substantial yields from the portfolio in the fourth quarter and additional cash from the sale of two assets in December.

Costs

The largest item in the cost structure of Triodos Renewables Europe Fund is the management fee paid to the AIFM, Triodos Investment Management. The AIFM uses this fee primarily to cover staff-related costs and travel expenses incurred in connection with the labour-intensive investment process. Other costs include the fees paid to RBC Investor Services Bank for their depositary and administrative services.
The ongoing charges, including the management fee, amounted to 2.52% for the Z share class, 3.02% for the R share class and 2.57% for the I share class as per December 31, 2017 (2017: 2.51%, 3.02% and 2.46% respectively). More detailed information about management fees and ongoing charges can be found on pages 31 and 33.

Risks

Investments in Triodos Renewables Europe Fund are subject to several risks, which are described in detail in the particulars relating to the sub-fund included in the prospectus of Triodos SICAV II. Some of the relevant risks are highlighted below.

Currency risk

Currency risk is the risk that changes in exchange rates may have a negative impact on the fund's profits and assets. The reference currency for Triodos Renewables Europe Fund is the euro, whereas investments may be denominated in foreign currencies. Exposure to volatile exchange

Return based on net asset value (NAV) per share*

Share class	1-year return	3-year return p.a.	5-year return p.a.	10-year return p.a.	Return p.a. since inception
R-cap (EUR)	8.9%	2.3%	2.9%	2.1%	2.5%
I-cap (EUR)	9.5%	2.9%	3.5%	2.7%	3.1%
Z-cap (EUR)	9.5%	2.9%	3.5%	2.4%**	2.8%**

* NAV per share is based on share prices as per December 27, 2018, i.e. the last price at which shares were traded in the reporting period.
** The Z-share class has a limited history. Returns prior to the launch date of the Z-share class are based on the returns of the comparable R-share class.

rates can affect the value of the investments and thus also the fund's assets. Triodos Renewables Europe Fund is therefore exposed to currency risk. The currency risk is mitigated by restrictions on the relevant exposures. The currency risk related to these investments is partly mitigated by limiting the un-hedged exposure to any single non-euro currency to a maximum of 20% of the fund's net assets. As at December 31, 2018, the non-euro currency exposure (British pound) is 9.1% of the fund's net assets (2017: 8.0%). The increased exposure is a result of a second investment by the fund in the UK. The British pound remained relatively stable in 2018. As at December 31, 2018, the fund's currency exposure was not hedged.

Interest rate risk

Interest rate risk is the risk that unfavourable interest rate changes on the financial markets will have a negative impact on the profit and net asset value of the fund. The performance of the fund is susceptible to interest rate movements on capital markets. This is due to the valuation method, according to which the net present value of expected cash flows is calculated by incorporating a rolling average market interest rate in its discount factor. In principle, rising interest rates have a negative impact and falling interest rates have a positive impact on the valuation of underlying investments. However, the positive impact of decreasing interest rates is capped, as the valuation method is based on a minimum discount rate.

Concentration risk

Triodos Renewables Europe Fund has a very specific, sector-based investment focus on renewable energy. The associated typical risks of this sector will be spread to a limited extent only. The concentration risk is mitigated by applying an investment limit of up to 20% of the fund's net assets for securities and financing instruments issued by a single entity. The largest single entity exposure as at December 31, 2018 was Silvius Sun NV, representing 10.9% of the fund's net assets.

Country risk

Country risk is the risk that political, fiscal or economic changes have a negative impact on the fund's profits and assets. Many of the contracts relating to project companies, such as power purchase agreements, subsidy agreements, green and/or renewable energy certificates, carbon offset arrangements, etc., are subject to government regulation and may change over time. Price developments for energy and oil, which differ per country, may have an impact on the power purchase agreements and project revenues. The value of the investments may also be affected by other uncertainties, in the form of abrupt changes in domestic tax policies and other legislation and regulations. The country risk is partly mitigated by diversification across countries, technologies (see charts on page 9) and vintages of the portfolio projects. To mitigate its exposure to country and regulatory risks, the fund's portfolio of renewable energy assets is geographically diversified across seven European countries. By investing in multiple countries and limiting the exposure to any single country to 40% of the fund's net assets, the fund reduces its exposure to events and developments in specific countries. A substantial part of the fund's revenues is derived from regulatory support; the remainder comes from electricity sales. Whilst EU policies support the proliferation of renewable energy and the use of regulations to achieve this, on a national level support is provided through a variety of mechanisms. Maintaining exposure to a range of countries mitigates the risk of the fund's performance being materially impacted by changes in national support mechanisms. Regulatory changes in 2018 in countries where the fund is invested did not have a negative impact on any of the projects in portfolio.

In each country, the price of electricity is influenced by the types of power generating assets (e.g. renewables, coal, gas, etc.) and the regulatory environment. Furthermore, the fund may also invest up to 10% of its net assets outside Europe, but at year-end had no positions in non-European countries. As at December 31, 2018 the Netherlands

represented the fund's largest single-country exposure, accounting for 23.8% of the fund's net assets.
The countries where the fund has investments have credit ratings varying from BBB to AAA. With the exception of Italy (BBB) and Spain (A-), all countries have a minimum rating of AA according to S&P ratings as per the end of 2018.

Liquidity risk

Liquidity risk is the risk that the fund is unable to obtain the financial means necessary to meet its financial obligations at a certain point in time. Triodos Renewables Europe Fund aims to maintain sufficient liquid assets to meet its obligations under normal circumstances. As Triodos Renewables Europe Fund is a semi open-end fund, it may face large redemptions on each valuation day. This could potentially lead to a situation in which the fund needs to temporarily close for redemptions. The following measures can be taken to mitigate the liquidity risk:

- The fund aims to maintain sufficient buffers in the form of cash or cash equivalents or to offer sufficient other guarantees. The cash buffers are determined monthly based on historical inflow and outflow, projections of the inflow and the results of stress tests.
- The investments of the fund are illiquid in nature, but can still be sold on a secondary market.
- The fund may decide to temporarily close for redemptions or subscriptions by suspending or restricting the purchase and issue of shares of the fund.

On December 31, 2018 the fund held 19.7% of its net assets in cash and cash equivalents (2017: 15.5%). Additionally, the fund is allowed to borrow up to 10% of its net assets for short-term liquidity requirements, for which the fund has a EUR 2.5 million stand-by credit facility. Including this stand-by facility, the available cash and cash equivalents add up to 23.4% of the net assets (2017: 19.1%). In 2018, liquidity was considered more than adequate for the fund to meet its short- and medium-term payment obligations and facilitate weekly subscriptions to and redemptions of its shares.

Project risk

The project risk is constituted by the fact that the amount of electricity produced is determined by various uncertain factors, such as wind speed, rainfall and sunlight, which depend on the location of each project. In addition, technology risk (e.g. the actual performance of wind turbines and solar panels) can affect the amount of electricity produced. Where the fund invests in projects that are not yet operational, it is also exposed to a construction risk at the project level. In order to minimise the project risk, the fund works with experienced counterparties. Before the fund invests in a project, the technical design and the yield estimate are verified by an independent technical advisor. In the operational phase, the fund works with experienced commercial managers who manage and report on the performance of the project. This risk is further mitigated by geographically diversifying the portfolio, by working with multiple developers and by varying the key technology suppliers (turbines, modules, inverters).

Outlook

Developments in the power markets and in new technologies have generated promising leads in the field of generation, efficiency and flexibility, the core themes in which the fund invests. Investing in new projects and different technological solutions, such as LED lighting, will diversify its income streams with a view to enhancing returns, reduce reliance on power prices, whilst continuing to contribute to improving the sustainability of the European energy system. The fund continues to explore the possibilities for re-powering existing projects. Redevelopment plans for several wind farms in the portfolio are currently progressing.

With respect to the current transition to a low-carbon energy system, the fund positions itself

as an experienced and reliable financial partner and supports developers of renewable energy projects and other types of technologies that help to reduce CO_2 emissions. Triodos Renewables Europe Fund will continue to focus on opportunities in areas with relatively modest support programmes, demonstrating the sustainability of the projects by employing proven technologies.
Regulatory support mechanisms account for a substantial part of the revenues of the projects that the fund invests in. The fund believes that regulatory support, for which the projects in the portfolio have already qualified, will remain stable.
The fund continues to aim for a balanced portfolio, mitigating price risks where possible, for instance by its choice of instrument, revenue model for the project or geography. In 2019, the fund will continue to collaborate with its existing partners to realise agreed pipelines for new projects and improve the operation of existing assets.

Additional information Triodos SICAV II

Risk Management

Operational risks

Triodos Investment Management ensures adequate control of relevant risks. The AIFM has therefore established an integral risk management system, which includes the risk management policy of each of the sub-funds of Triodos SICAV II and the risk management framework of the AIFM. The non-financial risks consist of operational risks and compliance risks. Operational risks are the risks of damage resulting from inadequate or failed internal processes, people and systems or from external events. Compliance risks are the risks related to failure to (timely) comply with laws and regulations. These risks are determined, measured, managed and monitored on an ongoing basis by means of appropriate procedures and reporting methods.
For the risk assessment, Triodos Investment Management uses a risk appetite based on the risk appetite on Triodos group level.
The risk control framework was developed on the basis of the ‘three-lines-of-defence’ model. The executive function of the AIFM, the risk management function and the internal audit function operate independently. The risk management function is functionally and hierarchically separated from the portfolio management function.

Risk management function

As a result of the growth and development of Triodos Investment Management, the number of staff in the Risk & Compliance department was increased, co-workers joined knowledge-sessions and awareness training, and a Risk & Compliance Management application was purchased.
This application allows for an audit trail of all risk events identified in an audit period, the lessons learned and the adjustments and improvements that as a result have been implemented in the internal control framework. Furthermore, the outcome of the so-called "risk and control self-assessments" will be recorded in the application, as well as the translation of the outcomes of these sessions in the internal control framework.
Preceding actions have further professionalised the Manager's risk management function and have made it possible to mitigate the fund's risks more effectively and efficiently.

Valuation risk

In order to ensure an independent, sound, comprehensive, consistent and auditor-approved valuation methodology, Triodos Investment Management has implemented a comprehensive valuation framework including valuation methodologies and procedures. This framework sets out general requirements regarding the selection, implementation and application of valuation methodologies and techniques for all asset types, considering the varied nature of asset types and the related market practices for the valuation of these assets. In addition, this framework sets out the requirements regarding the valuation function at the sub-fund level. It ensures consistent procedures regarding the selection, implementation and application of valuation methodologies and ensures a consistent approach to the valuation function, independent valuation committees and, in some cases, the use of external valuers at the sub-fund level.

Valuation risk refers to the risk that the values of assets do not reflect their fair market value because valuations are based on infrequent market-based data, assumptions and peer group comparisons. As the sub-funds of Triodos SICAV II invest almost exclusively in assets that are not traded on a regulated market and are not listed on any stock exchange, its investments may not have readily available prices and may be difficult to value. In order to determine the value of these investments, the sub-funds employ a consistent, transparent and appropriate valuation methodology.

Risk profile

The sub-funds of Triodos SICAV II each have a sector-specific focus and generally invest in risk-bearing, non-listed assets that cannot be made liquid in the short term and therefore have a relatively high risk profile. In most cases, added value in the sub-funds is generated over the longer term. An investment in the sub-funds of Triodos SICAV II therefore requires a medium to long-term investment horizon of the investor. In general, the sub-funds of Triodos SICAV II will only take on such risks that are deemed reasonable to achieve their investment objectives. The sub-funds of Triodos SICAV II have different risk profiles. There is no guarantee that the sub-funds will achieve their objectives, due to market fluctuations and other risks to which the investments are exposed.

ISAE 3402

The objective of an ISAE 3402 Assurance Report is to provide assurance about the quality of the control measures related to the services provided. The ISAE 3402 guideline provides two types of reports. An ISAE 3402 type I report provides assurance about the framework and the existence of the implemented control measures. On April 11, 2017, Triodos Investment Management obtained an ISAE 3402 type I report as at December 31, 2016. An ISAE 3402 type II report provides not only assurance about the framework and the existence of the implemented control measures, but also provides assurance about the effective functioning of the implemented control measures. On March 1, 2019, Triodos Investment Management obtained an ISAE 3402 type II report for the period January 1, 2018 until December 31, 2018.

Solvency

Triodos Investment Management amply meets the minimum solvency requirements for asset managers. This makes Triodos Investment Management a solid party that is sufficiently able to absorb setbacks.

Remuneration policy

Based on Article 22(2) of the AIFMD and section XIII (Guidelines on disclosure) of the ‘ESMA Guidelines on sound remuneration policies under the AIFMD’, AIFMs are required to at least disclose information about their remuneration practices for co-workers whose professional activities have a material impact on its risk profile (so-called 'identified staff'). As of January 1, 2018, all staff members of Triodos Investment Management are employed by Triodos Investment Management. In 2018 the total remuneration of the 186 co-workers working for the AIFM amounted to EUR 17,305,929 (2017: 186 co-workers, EUR 14,664,564). The increase in remuneration of 2018 versus 2017 can entirely be explained by a combination of a yearly increase in wages (no bonus or distribution of profits), a CLA impact and increased pension costs. Triodos Bank and Triodos Investment Management believe good and appropriate remuneration for all its co-workers is very important. The core elements of the international remuneration policy of Triodos Bank are set out in the Principles of Fund Governance, which can be accessed via www.triodos-im.com. The wage system used by Triodos Bank and as per January 1, 2018 also used by Triodos Investment Management, does not include bonuses or share option schemes. Financial incentives are considered an inappropriate way to motivate and reward co-workers. Variable remuneration is therefore limited. The Management Board of Triodos Investment Management annually assesses the remuneration policy. Identified staff are co-workers as defined in the AIFMD remuneration guidelines and include all co-workers who may influence the risk profile of the sub-funds. Besides the members of the Management Board of Triodos Investment Management, these include the fund manager and the managers of support departments.

The tables below and on the next page provide an overview of the total remuneration, broken down into fixed and variable remuneration, and the remuneration of the senior management and the identified staff. The cost allocation model of the AIFM is used for the allocation of staff to Triodos Renewables Europe Fund. In this model, allocations are based on activities of the co-workers (activity-based costing method). As these tables are intended to show the remuneration of co-workers, all other costs incurred by the AIFM, such as housing, workplace and travel costs and the cost of outsourced activities and external consultants, are excluded. The amounts shown in the tables include income tax, social security contributions, pension contributions and tokens of appreciation.

Triodos Bank and Triodos Investment Management may provide additional individual tokens of appreciation to co-workers up to a maximum of one month's salary. These tokens of appreciation are for extraordinary achievements and are at the discretion of management in consultation with Human Resources. Such a token is not based on pre-set targets and is always offered in retrospect. An annual collective token of appreciation may be paid for the overall achievements and contribution of all co-workers. This very modest amount is the same for all co-workers, with a maximum of EUR 500 per co-worker. This amount may be paid in cash or in Triodos Bank NV depository receipts. In 2018, no collective end-of-year token of appreciation was awarded. In 2017, every co-worker received a one-off benefit of EUR 500 as an outcome of the collective labour agreement negotiations. This amount is reported under variable remuneration 2017. In 2017 and 2018, there are no co-workers at Triodos Investment Management with a total remuneration of EUR 1 million or more. Triodos SICAV II does not have any co-workers.

Triodos Investment Management

Applicable for the year 2018 (remuneration in EUR)	Co-workers at AIFM		Identified staff in senior management positions		Other identified staff	
	2018	2017	2018	2017	2018	2017
Number of staff	*186*	*186*	*8*	*9*	*24*	*21*
Average FTEs	*158.6*	*153.7*	*8.3*	*6.9*	*22.1*	*18.4*
Fixed remuneration	17,180,253	14,546,082	1,642,019	1,425,534	3,162,612	2,518,295
Variable remuneration	125,676	118,481	0	2,107	75,590	14,340
Total remuneration	**17,305,929**	**14,664,563**	**1,624,019**	**1,427,641**	**3,238,202**	**2,532,635**

Triodos Renewables Europe Fund

Applicable for the year 2018 (remuneration in EUR)	Co-workers directly involved in Triodos Renewables Europe Fund		Identified staff in senior management positions		Other identified staff	
	2018	2017	2018	2017	2018	2017
Number of staff involved	*24*	*23*	*7*	*7*	*8*	*8*
Average FTEs	*9.6*	*9.5*	*0.6*	*0.5*	*1.3*	*1.3*
Fixed remuneration	1,084,276	852,616	110,634	135,769	184,264	176,380
Variable remuneration	3,466	10,172	0	234	3,368	4,737
Total remuneration	1,087,742	862,788	110,634	136,003	187,632	181,117

Report of the Board of Directors

The Board of Directors has the broadest powers to act in any circumstances on behalf of Triodos SICAV II, subject to the powers expressly assigned by law or the articles of incorporation of Triodos SICAV II. The Board of Directors is responsible for overall product strategy, relations with investors, the regulator and the auditor and for ensuring the AIFM performs its functions with due care and diligence. It is the Board's responsibility to provide independent review and oversight in the best interests of the investors of the sub-funds of Triodos SICAV II.

Board composition

In 2018, no changes occurred in the composition of the Board of Directors. As at December 31, 2018, the Board of Directors consisted of:

Director	Qualification	Appoint-ment in
Garry Pieters*	Independent director, Class-P director	2012
Monique Bachner	Independent director	2016
Marilou van Golstein Brouwers	Class-P director	2010
Corinne Molitor	Independent director	2018
Jeroen Smakman	Class-P director	2017

* Chair of the Board since June 24, 2016

The biographies of the directors are included in chapter 'Management and Administration'.

Board committees

The Board of Directors does not currently consider it necessary to create committees.

Board meetings

The Board of Directors meets at least four times a year. Additional meetings are arranged when necessary. In 2018, four regular Board meetings and one additional meeting were held.

At each regular Board meeting, the AIFM, Triodos Investment Management, also reports on various topics, amongst others, the state of affairs of the sub-funds, anti-money laundering and 'know your customer' (KYC) matters, regulatory changes, marketing and sales activities, investment compliance monitoring and risk management. The Board further discusses matters relating to its oversight of delegated parties (of which the AIFM is one).

Attendance of the Board meetings

Director	Meetings attended
Garry Pieters	5
Monique Bachner	5
Marilou van Golstein Brouwers*	4
Corinne Molitor	5
Jeroen Smakman	5

* The director was represented by way of proxy during her absence.

In 2018, the prospectus of Triodos SICAV II was amended. These modifications did not change the risk profiles of the sub-funds. Furthermore, the shareholders approved the amendments to the articles of incorporation of Triodos SICAV II as proposed by the Board of Directors. The revised version of the articles of incorporation and the revised version of the prospectus are effective as per September 5, 2018.

Conflicts of interest

At each Board meeting, the Directors declare whether there are conflicts of interest regarding agenda items. A Director who has conflicts of interest relating to an agenda item will declare such conflicts and abstain from voting on any decisions relating to that agenda item. The Board also monitors potential conflicts by maintaining a conflicts of interest register.

Board remuneration

According to the remuneration policy of Triodos SICAV II, each of the Directors not employed by the Triodos Group, is paid an equal fixed annual remuneration. The Board believes the remuneration of the Board reflects its responsibilities and experience and is fair given the size and complexity of Triodos SICAV II. The remuneration of the Directors is disclosed in the notes to the financial statements and approved annually by the shareholders at the Annual General Meeting of shareholders. There was no change to the Director remuneration proposed during the Annual General Meeting of 2018. Details on the remuneration paid to directors are provided in the Notes to the Financial Statements.

Annual General Meeting of shareholders

The Annual General Meeting of shareholders was held in Luxembourg on April 25, 2018. During this meeting, the shareholders:

- approved the management report of the Board of Directors and the report of the auditor for the financial year ended December 31, 2017;
- approved the audited statements of assets and liabilities and the statement of operations for the financial year ended December 31, 2017;
- approved the allocation of the net results for the financial year ended December 31, 2017;
- granted full discharge to the members of the Board of Directors with respect to their performance of duties for all or part of the financial year ended December 31, 2017;
- elected Corinne Molitor as non-Class P Independent Director to serve for a period of four years ending on the date of the Annual General Meeting to be held in 2022;
- elected PricewaterhouseCoopers Société coopérative Luxembourg as the auditor to serve for the financial year ended December 31, 2018, and
- approved the remuneration of Directors for the financial year ended December 31, 2018.

To approve the amendments of the articles of association of Triodos SICAV II as proposed by the Board of Directors, two Extraordinary General Meetings were convened. During the Extraordinary General Meeting convened for July 31, 2018, the necessary attendance quorum was not reached. As a result, the Extraordinary General Meeting was re-convened for September 5, 2018, where the shareholders:

- changed the corporate purpose of Triodos SICAV II as follows:
  "The exclusive purpose of Triodos SICAV II is to invest the funds available to it in securities and other assets permitted by Part II of the law of 17 December 2010 relating to undertakings for collective investment as may be amended from time to time (the "Law of 2010") with the aim of spreading investment risks and affording its shareholders the results of the management of its assets.
  Triodos SICAV II may take any measures and carry out any transaction which it may deem useful for the fulfilment and development of its purpose to the largest extent permitted by Part II of the Law of 2010."
- changed the signatory power of the Fund in the context of daily management;
  "Vis-à-vis third parties, Triodos SICAV II is validly bound by the joint signatures of any two directors or by the joint or single signature of any person(s) to whom authority has been delegated by the board of directors.
  Within the limits of the daily management, Triodos SICAV II shall be bound towards third parties by the signature of any person(s) to whom such power may have been delegated, acting individually or jointly, within the limits of such delegation."
- amended and fully restated the articles of association in order – amongst others – to reflect the Luxembourg companies law reform, and the amended Law of 2010;

No other meetings of shareholders were held in 2018.

Complaints handling policy

Triodos SICAV II has a complaints handling policy to ensure proper handling of complaints as and when they may arise. Triodos SICAV II has appointed a Complaints Handling Officer, who is responsible for implementation of the complaints handling policy.

The complaints handling policy is available upon request from Triodos SICAV II. During 2018, the

Complaints Handling Officer did not receive any complaints relating to Triodos SICAV II.

Complaints can be submitted in writing to:
Triodos SICAV II
Attention: Complaints Handling Officer
11-13, Boulevard de la Foire
L-1528 Luxembourg
Grand-Duché de Luxembourg
E-mail address: TriodosIM@triodos.com.

Best practices

The Board of Directors aspires to best practices and good governance. For example, the Board has made efforts to ensure the diversity of its members, in terms of gender, complementary experience and expertise, and a good representation of independent Directors. The Board of Directors conducts periodic self-assessments in which it reflects on its performance and strategy.

The Board of Directors has adhered to the principles of the ALFI Code of Conduct and monitors its application.

Luxembourg, April 8, 2019

The Board of Directors of Triodos SICAV II
Garry Pieters (Chair)
Monique Bachner
Marilou van Golstein Brouwers
Corinne Molitor
Jeroen Smakman

Summary of annual accounts 2018

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Statement of net assets as at December 31, 2018

(amounts in EUR)	Notes	December 31, 2018	December 31, 2017
Assets			
Fixed assets			
Investment in financial assets	2	67,138,365	59,168,432
(Historic cost: EUR 58,366,271as at December 31, 2018, EUR 57,952,719 as at December 31, 2017)			
Current assets			
Cash and cash equivalents		17,075,226	10,729,295
Subscriptions receivable		173,804	105,906
Other receivable		129,498	13,501
Other current assets		7,328	5,013
Total assets		**84,524,221**	**70,022,147**
Liabilities			
Liabilities due within one year			
Investment management, distribution and service fees payable	5	403,120	364,679
Redemptions payable		74,623	136,272
Accounts payable and accrued expenses	8	435,329	408,589
Total liabilities		**913,072**	**909,540**
Net assets		**83,611,149**	**69,112,607**

The accompanying notes form an integral part of these financial statements.

Statement of operations for the year ended December 31, 2018

(amounts in EUR)	Notes	December 31, 2018	December 31, 2017
Income			
Dividend income	2	1,190,346	677,961
Interest on swap contracts		–	–
Interest on loans	2	3,073,870	2,403,566
Bank interest		–	8,064
Other income	6	92,883	130,553
Total income		**4,357,099**	**3,220,144**
Expenses			
Investment management, distribution and service fees	5	1,474,879	1,510,689
Administrative and depositary fees	4	135,011	142,207
Audit and reporting expenses		60,139	56,024
Subscription tax	3	26,760	26,932
Other tax		53,010	9,330
Other expenses	7	347,061	243,557
Total expenses		**2,096,860**	**1,988,739**
Net operating income		**2,260,239**	**1,231,405**
Realised gain on investments		544,965	283,153
Realised loss on investments		(1,847,069)	(12,401)
Realised gain on foreign exchange		458	68,287
Realised loss on foreign exchange		(1,847)	(84,352)
Change in net unrealised appreciation on investments		7,556,381	–
Change in net unrealised depreciation on investments		–	(3,055,769)
Net increase/(decrease) in net assets resulting from operations		**8,513,127**	**(1,569,677)**

The accompanying notes form an integral part of these financial statements.

Statement of changes in net assets for the year ended December 31, 2018

(amounts in EUR)	December 31, 2018	December 31, 2017
Operations		
Net operating income	**2,260,239**	**1,231,405**
Realised gain on investments	544,965	283,153
Realised loss on investments	(1,847,069)	(12,401)
Realised gain on foreign exchange	458	68,287
Realised loss on foreign exchange	(1,847)	(84,352)
Change in net unrealised appreciation on investments	7,556,381	–
Change in net unrealised depreciation on investments	–	(3,055,769)
Net increase/(decrease) in net assets resulting from operations	**8,513,127**	**(1,569,677)**
Capital Transactions		
Capital subscriptions		
R Share Class	1,299,574	1,141,801
I Share Class	7,339,998	2,516,451
Z Share Class	6,180,128	10,071,315
Total subscriptions	**14,819,700**	**13,729,567**
Capital redemptions		
R Share Class	(983,287)	(921,511)
I Share Class	(928,528)	(4,530,362)
Z Share Class	(6,922,470)	(10,486,197)
Total redemptions	**(8,834,285)**	**(15,938,070)**
Net increase/(decrease) in net assets resulting from capital transactions	**5,985,415**	**(2,208,503)**
Net assets		
Net assets at the beginning of the year	69,112,607	72,890,787
Total increase in net assets	14,498,542	(3,778,180)
Net assets at the end of the year	**83,611,149**	**69,112,607**

The accompanying notes form an integral part of these financial statements.

Cash flow statement for the year ended December 31, 2018

(amounts in EUR)	December 31, 2018	December 31, 2017
Cash provided by operating activities		
Profit/(loss) after taxation	8,513,127	(1,569,677)
(-) increase/(+) decrease in unrealised gains and losses on investments and forward foreign exchange contracts	(7,556,381)	3,055,769
(-) increase/(+) decrease in realised gains and losses on investments	1,302,104	(270,752)
(+) increase/(-) decrease in receivables and other assets	(118,312)	543
(+) increase/(-) decrease in payables	65,181	(120,425)
(-) Net cash from acquisitions and disposals of investments	(1,715,656)	(4,927,139)
Net cash provided by operating activities	**490,063**	**(3,831,681)**
Cash provided by financing activities		
(+) proceeds from shares issued	14,751,802	13,921,715
(-) decrease from shares redeemed	(8,895,934)	(15,909,859)
Net cash provided by financing activities	**5,855,868**	**(1,988,144)**
Cash		
Net increase/(decrease) in cash and cash equivalents	6,345,931	(5,819,825)
Cash at the beginning of the year	10,729,295	16,549,120
Cash at the end of the year	**17,075,226**	**10,729,295**

The accompanying notes form an integral part of these financial statements.

Statement of changes in the number of shares outstanding for the year ended December 31, 2018

	December 31, 2018	December 31, 2017
Number of Shares outstanding at the beginning of the year		
Share Class R	405,548.565	398,607.425
Share Class I	511,367.788	570,747.483
Share Class P	1.000	1.000
Share Class Z	1,441,870.535	1,458,400.390
Subscriptions over the year		
Share Class R	40,085.534	35,928.140
Share Class I	212,453.600	74,866.858
Share Class P	–	–
Share Class Z	217,846.299	364,651.404
Redemptions over the year		
Share Class R	30,977.489	28,987.000
Share Class I	27,365.027	134,246.553
Share Class P	–	–
Share Class Z	247,210.864	381,181.259
Number of Shares outstanding at the end of the year		
Share Class R	414,656.610	405,548.565
Share Class I	696,456.361	511,367.788
Share Class P	1.000	1.000
Share Class Z	1,412,505.970	1,441,870.535

The accompanying notes form an integral part of these financial statements.

Statistics

(amounts in EUR)	December 31, 2018	December 31, 2017	December 31, 2016
Total net asset value at the end of the year			
Share Class R	14,447,809	12,700,787	12,814,951
Share Class I	26,066,293	17,096,610	19,474,827
Share Class P	40	36	36
Share Class Z	43,097,007	39,315,174	40,600,973
	83,611,149	**69,112,607**	**72,890,787**
Net asset value per share at the end of the year			
Share Class R	34.84	31.32	32.15
Share Class I	37.43	33.43	34.12
Share Class P	40.25	35.65	36.16
Share Class Z	30.51	27.27	27.84

Notes to the financial statements

1. General

Triodos Renewables Europe Fund is a sub-fund of Triodos SICAV II.

Triodos SICAV II (the ”SICAV”) has been incorporated 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 April 10, 2006 for an unlimited period. Triodos SICAV II is governed by Part II of the Luxembourg Law of December 17, 2010, as amended from time to time. The SICAV is an alternative investment fund (“AIF”) subject to the requirements of the Directive 2011/61/EU of June 8, 2011 on Alternative Investment Fund Manager’s Directive (“AIFMD”) as implemented in Luxembourg through the law of July 12, 2013 on alternative investment fund managers (the “Law of 2013”).

The Registered Office of the SICAV is established at 11/13, Boulevard de la Foire, L-1528 Luxembourg.

The Articles have been deposited with the Chancery of the District Court of Luxembourg on April 27, 2006 and published in the Mémorial C, Recueil des Sociétés et Associations (the “Mémorial”). The SICAV has been registered with the Companies Register of the District Court of Luxembourg under number B 115.771. The Articles were last amended at the extraordinary general meeting of shareholders held on September 5, 2018 and published in the Recueil des Sociétés et Associations (“RESA”) which replaced the “Mémorial”.

The SICAV is structured as an umbrella fund, which provides both institutional and retail investors with a variety of sub-funds, each of which relates to a separate portfolio of assets permitted by law and managed within specific investment objectives.

As at December 31, 2018, the SICAV has three sub-funds: Triodos Renewables Europe Fund, Triodos Microfinance Fund and Triodos Organic Growth Fund.

Triodos Renewables Europe Fund, to which this annual report relates, does not constitute a separatelegal entity, but there are two other sub-funds which together with Triodos Renewables Europe Fund form a single entity (Triodos SICAV II). The annual report of Triodos SICAV II, which has been fully prepared in accordance with the laws and regulations applicable for investment funds in Luxembourg, includes also the statement of investments of Triodos Renewables Europe Fund. This annual report is available at the registered office of the SICAV.

The overall objective of the sub-fund is to offer investors an environmentally sound investment in renewable energy projects with the prospect of an attractive financial return combined with the opportunity to make a pro-active, measurable and lasting contribution to the development of sustainable energy sources. The first net asset value was calculated on July 27, 2006.

Shares in the sub-fund may be subscribed once a week, on the Business Day preceding the Valuation Date. The sub-fund is semi open-ended, i.e. shares may be redeemed in principle once a week on the Business Day preceding the Valuation Date. However, the SICAV is entitled to (temporarily) stop trading and thus the execution of the redemption applications received, if trading is not possible, in accordance with the stipulations of the Prospectus.

The shares are divided into Shares of Classes “R”, “Z”, “I”, “P”. Class “R” Shares and Class “Z” Shares are open to certain retail investors, dependent on their country of residence. Class “I” Shares is restricted to Institutional Investors. Class “P” Shares is open to entities of Triodos Group. Class “P” gives the right, in accordance with the Articles, to propose to the general meeting of shareholders a list containing the names of candidates for the position of director of the SICAV from which a majority of the directors of the SICAV must be appointed.

Currently, all shares issued are of the Capitalisation type. Therefore, the sub-fund does not pay dividends to its shareholders as realised profits are reinvested by the sub-fund.

The sub-fund Triodos Renewables Europe Fund incorporated Triodos S II LuxCo S.à r.l. (“the holding company”) in February 2011. As a wholly-owned subsidiary of the sub-fund, all assets and liabilities, income and expenses of the holding company are consolidated in the statement of net assets, the statement of operations and the statement of changes in net assets of the sub-fund. All investments held by the holding company are disclosed in the financial statements of the sub-fund.

The financial year end of the SICAV is end of December each year.

Triodos SICAV II, including its sub-funds, is supervised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF).

Triodos SICAV II, including its sub-funds, is also registered with the Dutch Supervisory authorities, the Autoriteit Financiële Markten (AFM).

Reported NAV in the financial statements 2018
In the course of the year 2019, the valuation of several assets was updated as a result of the implementation of changes in the fiscal treatment announced by legislators in several jurisdictions before year end 2018. In accordance with Luxembourg GAAP, these changes have been incorporated in the reported NAV per December 31, 2018, and processed through Change in net unrealised appreciation on investments. This resulted in an upward adjustment of the fair value of Investments in financial assets amounting to EUR 1.476.200 per December 31, 2018.

Furthermore, the AIFM has performed an analysis of the possible impact on other accounts of the financial statements and concluded that these are not materially affected.

2. Summary of significant accounting principles

Investments are valued as follows:

a) The valuation of private equity investments (such as equity, subordinated debt and other types of mezzanine finance) are based on the International Private Equity and Venture Capital Valuation Guidelines, as published from time to time by the European Venture Capital Association (EVCA), and is conducted with prudence and in good faith.
   In the sub-fund, the private equity and subordinated debt investments are valued on the basis of discounted cash flows.

b) Investments in securities are accounted for on a trade date basis. Net realised profit/(loss) on sale of investments in securities are based on the average cost basis. The net realised profit/(loss) and change in net unrealised appreciation/(depreciation) on investments are recorded in the Statement of Operations and Changes in Net Assets.

Other assets are valued according to the following rules:

c) Senior debt instruments, invested in/granted to companies not listed or dealt in on any stock exchange or any other Regulated Market, are valued at fair market value, deemed to be the nominal value, increased by any interest accrued thereon; such value is adjusted, if appropriate, to reflect the appraisal of the Advisor of the relevant sub-fund on the creditworthiness of the relevant debtor. The Board of Directors uses its best endeavours to continually assess this method of valuation and recommend changes, where necessary, to ensure that debt instruments are valued at their fair value as determined in good faith by the Board of Directors.

d) 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.

e) The value of securities which are admitted to official listing on any stock exchange is 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 is based on the last available price. In the event that this price is, in the opinion of the Board of Directors, not representative of the fair market value of such securities, for example in the case of illiquid securities and/or stale prices, the directors value the securities at fair market value according to their best judgment and information available to them at that time.

f) Units or shares of open-end UCIs are valued at their last official net asset values, as reported or provided by such UCI or their agents, or at their last unofficial net asset values (i.e. estimates of net asset values) if more recent than their last official net asset values, provided that due diligence has been carried out by the relevant Advisor, in accordance with instructions and under the overall control and responsibility of the Board of Directors, as to the reliability of such unofficial net asset values.

g) The liquidating value of futures, forward foreign exchange contracts or options contracts not admitted to official listing on any stock exchange or dealt on any other Regulated Market means their net liquidating value determined, pursuant to the policies established prudently and in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts.

h) The value of any cash at hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared and interest accrued, and not yet received are 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 is determined after making such discounts as the Board of Directors may consider appropriate to reflect the true value thereof.

i) Swap contracts, as far as credit swaps are concerned, are valued at fair market values as determined prudently and in good faith by the Board of Directors. Cross-currency interest rate swaps are valued on the basis of the prices provided by the counterparty.

j) All other securities and assets are valued at fair market value as determined in good faith pursuant to procedures established by the Board of Directors.

k) Placements in foreign currency are quoted in euros with due observance of the currency exchange rates most recently known.

l) Realised and unrealised changes in the value of investments are incorporated in the profit and loss account.

m) The principle for determination of profit is based on the attribution of income and expenses to the relevant year. The income from payments of profit on equity participations is accounted for in the year in which they are made payable. Prepaid costs and costs still to be paid are taken into account in determining the expenses.

n) Other assets and liabilities are recorded at nominal value after deduction of any provision in respect of anticipated non-recovery.

o) The costs of investments expressed in currencies other than EUR are translated into EUR at the exchange rate prevailing at purchase date.

p) Interest income is accrued pursuant to the terms of the underlying investment. Income is recorded net of respective withholding taxes, if any.

q) Gain and losses arising from un-matured forward foreign exchange contracts are determined on the basis of the applicable forward exchange rates at the valuation date and are booked in the profit and loss accounts.

r) Dividend income is recognised on cash basis, net of any withholding taxes.

s) Equity investments of Triodos SICAV II are excluded from consolidation due to exemptions by temporary holding, size and time window (section XVI of the modified law of 10 August 1915).

3. Taxation

According to the law in force and current practice, the SICAV is not subject to any Luxembourg tax on income and capital gains nor are dividends paid by the SICAV subject to any Luxembourg withholding tax.

However, each of the SICAV’s sub-funds is subject to a subscription tax (taxe d’abonnement) at an annual rate of 0.05% p.a. Such rate may be decreased to 0.01% p.a. for certain sub-funds or Classes of Shares, which are restricted to Institutional Investors as specified in the relevant sub-fund Particulars.

This tax is calculated and payable quarterly on the basis of the Net Asset Value of each sub-fund at the end of each quarter. This tax is not due on that portion of the SICAV’s assets invested in other Luxembourg UCIs.

In addition, the issue of Shares in the SICAV is not subject to any registration duties or other taxes in Luxembourg.

4. Administrative and depositary fees

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

The administrative and depositary fees comprise the following:

(amounts in EUR)	December 31, 2018	December 31, 2017
Domiciliary agency fee	16,086	15,142
Administrative fee	55,689	56,257
Transfer agency fee	24,722	19,886
Depositary fee	38,514	50,922
Total	135,011	142,207

5. Investment management, distribution and service fees

For the services it provides, the Alternative Investment Fund Manager is entitled to an annual fee payable quarterly and calculated as described in the relevant sub-funds' Particulars.

The sub-fund pays for the provision of investment management services and supporting services and the distribution activities an annual fee of 2.50% for Class "R" Shares, an annual fee of 1.95% for Class "Z" Shares, Class "I" Shares and Class "P" Shares, calculated on the relevant Class, net assets, accrued weekly and payable quarterly.
The costs for marketing and distribution activities related to retail investors and attributable to Class "R" Shares, will only be borne by Class "R" Shares and will be part of the management fee. The costs for marketing activities incurred by the AIFM related to retail investors and attributable to Class "Z" Shares will only be borne by Class "Z" Shares and may amount to maximum 0.20% (on an annual basis) of this Share Class, net assets.

6. Other income

The other income comprises the following:

(amounts in EUR)	December 31, 2018	December 31, 2017
Redemption fees	45,013	80,126
Administrative fee and other income	47,870	50,427
Total	92,883	130,553

7. Other expenses

The other expenses comprise the following:

(amounts in EUR)	December 31, 2018	December 31, 2017
Supervisory fee	2,667	2,000
Remuneration of the Board of Directors/Manager*	23,565	25,132
Legal fees	80,182	75,494
Consulting fees	78,585	21,868
Registration fees	350	–
Bank fees	47,623	53,638
Portfolio transaction costs	9,017	19,186
Other expenses	105,072	46,239
Total	**347,061**	**243,557**

*Amounts include the remuneration of the Board of Managers of the sub-fund's holding company Triodos SII LuxCo S.à r.l.

8. Accounts payable and accrued expenses

As at December 31, 2018, the accounts payable and accrued expenses mainly include the following expenses: administrative fees, audit fees, consulting fees, depositary fees, domiciliary agency fees, legal fees, subscription tax and transfer agency fees.

9. Off-balance sheet commitments

The sub-fund has committed itself to investments up to approximately EUR 8.0 million of which the majority is related to development of projects and subject to a milestone approach.

In December 2017, the fund instigated a claim against the government of Spain for compensation of the financial losses it incurred between 2010 and 2014, following the retroactive changes in the Spanish regulatory regime. The arbitration claim is estimated to take several years until an award is potentially granted and ultimately received. Given the lengthy process and the uncertainty of the outcome of the claim, no value will be attributed to filing the claim at this stage.

10. Ongoing charges cost ratios

	Ongoing charges December 31, 2018	Ongoing charges December 31, 2017
Share Class I	2.57%	2.46%
Share Class P	1.75%	1.64%
Share Class R	3.02%	3.02%
Share Class Z	2.52%	2.51%

The ongoing charges reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges are calculated over the twelve-month period ending at the end of the reporting period.

11. Exchange rate

The exchange rates used as at December 31, 2018, are:

1 EUR =	0.897574	GBP

12. Transaction costs

The following table presents the transaction costs related to the portfolio of investments over 2018:

(amounts in EUR)	**2018**
Triodos Renewables Europe Fund	206,399

13. Leverage

The leverage effect is determined by the AIFMD as being any method by which the AIFM increases the exposure of the sub-funds of Triodos SICAV II, whether through borrowing of cash or securities leverage embedded in derivative positions, or by any other means. The leverage creates risks for the subfunds.

The leverage is calculated on a frequent basis and shall not exceed such thresholds as further described in the sub-funds Particulars in the prospectus of Triodos SICAV II, using both the ”gross method” and the “commitment method” in accordance with European regulations. The gross method gives the overall exposure of the sub-funds, whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

The leverage ratio calculated by means of the commitment method for Triodos Renewables Europe Fund is 101.14%.

14. Other information: Belgian Savings Tax

In scope of Belgian Savings Tax	Yes
Method used to determine the status	Asset testing
Asset test ratio	54.33%
Valid from	1 May 2018
Valid until	30 April 2019

Audit report

To the Shareholders of Triodos Renewables Europe Fund (a sub-fund of Triodos SICAV II)

Our opinion

In our opinion, the accompanying Financial Information of Triodos Renewables Europe Fund (the “Sub-fund”), which is a sub-fund of Triodos SICAV II (the “Fund”), as of and for the year ended 31 December 2018 is prepared, in all material respects, in accordance with the accounting policies described in Note 2 of the Financial Information.

What we have audited

The Sub-fund’s Financial Information comprises:

- the statement of net assets as at 31 December 2018;
- the statement of operations for the year ended at 31 December 2018;
- the statement of changes in net assets for the year ended at 31 December 2018;
- the cash flow statement for the year ended at 31 December 2018;
- the statement of changes in the numbers of shares outstanding for the year ended at 31 December 2018; and
- the summary of significant accounting policies and other explanatory notes to these statements (the “Financial Information”).

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the Financial Information” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the Financial Information. We have fulfilled our other ethical responsibilities under those ethical requirements.

Emphasis of Matter - Basis of accounting

We draw attention to Note 2 of the Financial Information which describes the basis of accounting. The Financial Information is prepared at sub-fund level. As a result, the Financial Information may not be suitable for another purpose. This report, including the opinion, has been prepared for and only for the Shareholders in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed Our opinion is not modified in respect of this matter.

Other matter

The Fund has prepared a separate set of financial statements for the financial year ended 31 December 2018 in accordance with Luxembourg legal and regulatory requirements, on which we issued a separate auditor’s report to the Shareholders of the Fund dated 9 April 2019.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Information and our audit report thereon.

Our opinion on the Financial Information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the Financial Information

The Board of Directors is responsible for the preparation of this Financial Information in accordance with the accounting policies described in Note 2 of the Financial Information, for determining that the basis of preparation is appropriate in the circumstance, and for such internal control as the Board of Directors determines is necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Financial Information, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Sub-fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the Financial Information

The objectives of our audit are to obtain reasonable assurance about whether the Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Information.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative

Luxembourg, 9 April 2019

Represented by

Valérie Arnold

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Appendix: Project descriptions

As per the end of December 2018, Triodos Renewables Europe Fund held investments in 22 renewable energy projects. The fund added three new projects to its portfolio: SolarAccess Energy Projects solar farm in the Netherlands, Stoneshill solar farm in the United Kingdom, and Muniled I portfolio in Spain. Solar plants Aznalcollar and Los Cabezos, both in Spain, were sold.

Growind wind farm, the Netherlands
www.growind.nl

The wind turbines are located at the Eemshaven harbour near Delfzijl, on the northern coast of the Netherlands. The Growind wind farm is owned by several private investors and Triodos Renewables Europe Fund. The wind farm started operations in 2008 and comprises 16 Vestas V90 3.0 MW wind turbines. In 2014, Dutch wind turbine technology development company 2B6 built its latest 6 MW offshore turbine on the Growind site for testing purposes. In 2016, Dutch engineering company Lagerwey built two L136 4.5 MW wind turbines on the Growind site. These three additions replaced the capacity of five of the original Vestas turbines.

Haringvliet wind farm, the Netherlands
www.e-connection.nl/en/wind-farm-haringvliet

The wind turbines are situated at the northern end of the Haringvliet dam (part of the Delta Works), near Hellevoetsluis, the Netherlands. The Haringvliet wind farm is a joint-venture between Triodos Renewables Europe Fund, engineering company Lagerwey and developer E-Connection. The wind farm became operational in the summer of 1997 and comprises six BONUS 600 MK IV 600 kW wind turbines.

Neeltje Jans wind farm, the Netherlands
www.e-connection.nl/en/wind-farm-neeltje-jans

The wind turbines are situated at Neeltje Jans, on the Oosterschelde flood barrier (part of the Delta Works), near Veere, the Netherlands. The Neeltje Jans wind farm is a joint-venture between Triodos Renewables Europe Fund and developer E-Connection. The wind farm became operational in the summer of 2006 and originally comprised four Vestas V90 3.0 MW wind turbines. In the summer of 2012, one Vestas V90 turbine was added to the farm.

Roggeplaat wind farm, the Netherlands
www.e-connection.nl/en/wind-farm-roggeplaat

The wind turbines are situated in a cluster on the Roggeplaat island, on either side of the Oosterschelde flood barrier (part of the Delta Works), near Veere, the Netherlands. The Roggeplaat wind farm is a joint-venture between Triodos Renewables Europe Fund and developer E-Connection. The four new Enercon E-82 2.3 MW wind turbines have been operational since the summer of 2012.

Roompotsluis wind farm, the Netherlands
www.e-connection.nl/en/wind-farm-roompotsluis

The wind turbines are situated near the Roompot locks, on the Oosterschelde flood barrier (part of the Delta Works), near Veere, the Netherlands. The Roompotsluis wind farm is a joint-venture between Triodos Renewables Europe Fund and developer E-Connection. The wind farm operates four Vestas V90 3.0 MW turbines and started production in the summer of 2006, initially with two turbines. In the summer of 2012 the capacity of this wind farm was expanded with two additional similar wind turbines.

Willem-Annapolder wind farm, the Netherlands
www.zeeuwind.nl/locaties/willem-annapolder

The wind turbines are located in the Willem-Annapolder, near the town of Kapelle in the Netherlands, on the north shore of the Westerschelde river. The Willem-Annapolder wind farm is a joint-venture between Zeeuwind, a private investor and Triodos Renewables Europe Fund. The wind farm started operations in 2003, with ten NEG-Micon NM 52/900 wind turbines.

Zeeland I wind farm, the Netherlands
www.e-connection.nl/en/wind-farms

The Zeeland I wind farm is a joint-venture between Triodos Renewables Europe Fund and developer E-Connection. Zeeland I operates 12 wind turbines in three different locations in the southern part of the Netherlands: Vlissingen, Kapelle-Schore and Jacobahaven.
The Vlissingen wind farm started operations in 1991 and has seven Vestas V29 225 kW wind turbines. The Kapelle wind farm became operational in 1991 and operates two Vestas V27 225 kW wind turbines. The current wind turbines at Vlissingen and Kapelle replaced the older 250 kW wind turbines. This new generation of wind turbines produces at least 45% more energy than the old wind turbines.
The Jacobahaven wind farm became operational in the summer of 2006 and has three Vestas V90 3.0 MW wind turbines.

Midlum wind farm, Germany

Triodos Renewables Europe Fund is the sole owner of the Midlum wind farm, in Lower Saxony, Germany. The wind farm has been operational since 1999 and comprises 70 Enercon E-40 wind turbines. The plant is situated in a good wind location, in an open agricultural landscape.

Ransonmoor wind farm, United Kingdom

In February 2013, Triodos Renewables Europe Fund diversified its geographical spread by making an investment in the United Kingdom. Ransonmoor has been operational since 2007 and comprises three Gamesa G80 wind turbines and two Senvion MM80 wind turbines.

Amöneburg-Rossdorf II wind farm, Germany

In December 2017, Triodos Renewables Europe Fund became the sole owner of this windfarm. This is the second wind farm in Germany with 100% ownership. The windfarm, managed by Juwi, consists of two GE 2.75-120 turbines with a 2.78 MW capacity each. The wind farm is an extension of the Amöneburg-Rossdorf I wind farm, with which it shares the grid connection.

Fieva solar plant, Belgium

This project consists of over 40 rooftop solar plants, which were all constructed and gradually became operational in 2010-2011. The plants are spread across Flanders and have a total installed capacity of over 12.8 MWp. The project is owned by a Danish investment fund. Triodos Renewables Europe Fund has provided a subordinated loan to the project.

GFS Veurne solar plant, Belgium
www.greenfever.be/veurne

In 2013, Triodos Renewables Europe Fund acquired a majority stake in the ground-mounted solar project GFS Veurne. The solar plant is located in the municipality of Veurne, Belgium, and was developed by Greenfever. The entrepreneurs behind Greenfever are still active as managers and minority shareholders of the solar plant. The plant became operational in 2009 and consists of 12,780 solar panels with a combined capacity of 2.6 MWp.

Silvius Sun, rooftop solar plant, Belgium
https://www.solaraccess.nl/clients/

Silvius Sun is a joint-venture between Triodos Renewables Europe Fund and SolarAccess. In 2013, Triodos Renewables Europe Fund invested in the rooftop solar portfolio of SolarAccess and increased its stake in 2018. The project consists of 19 roof-mounted plants on industrial and agricultural buildings and benefits from the green certificate regime for solar projects in Flanders. The electricity is used primarily by the companies on whose roofs the plants have been built. The total capacity of the portfolio is 19.4 MWp.

El Carpio solar plant, Spain

Since 2010, Triodos Renewables Europe Fund is sole owner of the Carpio Fotovoltaica solar plant, a 4.5 MWp solar PV project in Vallodolid, in northern Spain. The plant was developed and constructed by BP Solar in 2011.

Generación Solar Investment solar plant, Spain

Triodos Renewables Europe Fund is the majority owner of Generación Solar Investment. The plant consists of three solar PV projects located in La Villa de Don Fadrique, Toledo, Spain, and has a total installed capacity of 1.4 MWp. The project was developed in three phases and all the installations were connected to the electricity grid in September 2008. The plant is operated by co-shareholder GFM.

Lucentum solar plant, Spain

In 2018 Triodos Renewables Europe Fund became the sole owner of Lucentum Energia by acquiring the balance of shares. Lucentum Is a PV plant with a total capacity of 3.48 MWp in La Gineta, Albacete, Spain. The solar plant became operational in September 2008.

Helium solar plant, France

http://www.sonnedix.com/power-plants/list-of-plants/operating/

The Helium solar plant is a ground-mounted solar park with an installed capacity of 5.4 MWp in the Languedoc Roussillon region. Triodos Renewables Europe Fund is co-shareholder together with Sonnedix, which also manages the project. The solar plant has been operational since March 2011.

SolarAccess Energy International solar plant, a portfolio of rooftop solar projects, the Netherlands and Italy

https://www.solaraccess.nl/clients/

In 2015, Triodos Renewables Europe Fund invested as co-shareholder in a rooftop solar portfolio together with SolarAccess. The project consists of eight roof-mounted solar plants in the Netherlands and one roof-mounted solar plant in Italy. Heineken is the direct consumer of the produced energy on all locations. In all, around 20,500 solar panels were installed on the roofs of Heineken distribution centres in the Netherlands and a brewery in Italy. The total capacity of the project is 5.3 MWp.

Stokes Marsh solar plant, United Kingdom

In August 2017 Triodos Renewables Europe Fund provided a fixed interest mezzanine loan to the ground mounted solar project Stokes Marsh, located in the UK. The project has been operational since 2015 and the investment was part of a total refinancing of the project. The solar park has an installed capacity of 15.1 MWp and is owned and managed by Gamma Energy.

SolarAccess Energy Projects, a portfolio of rooftop solar plants, Netherlands

From September 2018 the fund cooperates with long-term partner SolarAccess to develop a portfolio of roof-top solar PV projects in the Netherlands. SolarAccess will provide the technical expertise for the construction and day-to-day management of the plants to build the solar plants and expand the portfolio. Triodos Renewables Europe Fund provides most of the required equity. The portfolio currently consists of a mix of projects that are operational, under construction and in development. To date 1 MW has been installed.

Stoneshill solar plant, United Kingdom

In December 2018 Triodos Renewables Europe Fund provided a fixed interest mezzanine loan to the ground mounted solar project Stoneshill, located in the UK. The project has been operational since 2017 and the investment was part of a total refinancing of the project. The solar park has an installed capacity of 5.0 MWp and is owned and managed by Gamma Energy.

Muniled I portfolio, Spain

In December 2018 Triodos Renewables Europe Fund provided a fixed interest mezzanine loan to a portfolio of energy-efficiency projects across 15 Spanish municipalities. Services provided vary across the municipalities and include LED lights on the streets and in public buildings, providing energy services, and maintenance works. Portfolio is combination of projects being operational and in construction. In total, more than 9,000 LED units are installed across the portfolio. The portfolio is owned and managed by Gamma Energy.

Management and administration

Registered office

11-13, Boulevard de la Foire
L-1528 Luxembourg
Grand-Duchy of Luxembourg

Board of Directors

G.R. Pieters
Chair
Independent, Partner of the Directors' Office Luxembourg

Garry Pieters is an ILA (Institut Luxembourgeois des Administrateurs)-certified director. He is Money Laundering Reporting Officer (MLRO) of Triodos SICAV II and oversees the handling of complaints. Garry Pieters is a Board Member of several other Luxembourg investment entities, including Sustainability Finance Real Economies fund (SFRE, initiated by the Global Alliance for Banking on Values). He is also a Conducting Officer for the Luxembourg entity of Nikko Asset Management. He has over 30 years of experience in the field of finance, in particular with ING Group NV. 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 SA and of its 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. As at December 31, 2018, Garry Pieters did not hold any shares in Triodos Renewables Europe Fund.

M.D. Bachner
Independent, Founder Bachner Legal

Monique Bachner is lawyer and an ILA-certified director. She started her legal career in London, at Freshfields Bruckhaus Deringer, and later moved to Debevoise & Plimpton. She currently has her own law firm, Bachner Legal. Monique Bachner focuses her practice on corporate and funds law, as well as on corporate governance advisory services for Board of Directors. She has served as Member of the Board of several investment funds and charitable institutions and non-profit organisations, including the Board of ILA (the Luxembourg Institute of Directors). Monique Bachner is also a Member of the Board of Triodos SICAV I. As at December 31, 2018, Monique Bachner did not hold any shares in Triodos Renewables Europe Fund.

M.H.G.E. van Golstein Brouwers
Managing Director at Triodos Investment Management

Marilou van Golstein Brouwers is Managing Director at Triodos Investment Management and Triodos Investment Advisory & Services BV. In addition, she is a Member of the Board of Triodos SICAV I, Stichting Triodos Sustainable Trade Fund, Stichting Hivos-Triodos Fund and Stichting Triodos Renewable Energy for Development Fund. Marilou van Golstein Brouwers is also a Member of the Board of Global Impact Investing Network (GIIN) and Chair of the Supervisory Board of B Corps Europe, one of the 'We-Fi's Leadership Champions, the Women Entrepreneurs Finance Initiative housed in the World Bank' and Chair of the Supervisory Board of Qredits. As at December 31, 2018, Marilou van Golstein Brouwers held 699 shares in Triodos Renewables Europe Fund.

C. Molitor
Independent, Partner of Innpact

Since October 2016, after a career of more than 20 years in the Luxembourg financial sector, Corinne Molitor is a director of Innpact, a private company dedicated to consulting and management support services for innovative and sustainable impact finance initiatives. Corinne Molitor is furthermore actively involved in impact investing through a number of activities: she is a co-founder of European Impact Investing Luxembourg (EIIL), she co-chairs the ALFI Responsible Investing Committee and is the Chairperson of ADA Asbl, an NGO specialised in microfinance and inclusive finance. Corinne Molitor is also a Member of the Board of Triodos SICAV I. As at December 31, 2018, Corinne Molitor did not hold any shares in Triodos Renewables Europe Fund.

J.C. Smakman
Director Retail Banking Triodos Bank NV

Jeroen Smakman is director Retail Banking for Triodos Bank NV at its head office, and in that role responsible for the strategy, support and coordination of all retail activities within Triodos Bank and its branches. He has a long-standing experience in the financial sector. Jeroen Smakman previously worked at ING Group NV in product management, marketing and HR. He has held several management positions in the Netherlands, Italy, Canada and the Czech Republic.. As at December 31, 2018, Jeroen Smakman did not hold any shares in Triodos Renewables Europe Fund.

Alternative Investment Fund Manager

Triodos Investment Management BV
Registered office:
Nieuweroordweg 1
3704 EC Zeist
The Netherlands
Postal address:
P.O. Box 55
3700 AB Zeist
The Netherlands

Triodos Investment Management is the alternative investment fund manager of Triodos SICAV II. The Management Board of Triodos Investment Management has the following members:

J.J. Minnaar
Jacco Minnaar is Chair of the Management Board (as of January 1, 2019) of Triodos Investment Management and Triodos Investment Advisory & Services BV. In addition, he is a Member of the Board of Stichting Hivos-Triodos Fund. As at December 31, 2018, Jacco Minnaar did not hold any shares in Triodos Renewables Europe Fund.

K. Bosscher
Kor Bosscher is Director Risk and Finance (as of March 1, 2018) at Triodos Investment Management and Triodos Investment Advisory & Services BV. As at December 31, 2018, Kor Bosscher did not hold any shares in Triodos Renewables Europe Fund.

M.H.G.E. van Golstein Brouwers
Marilou van Golstein Brouwers is Managing Director at Triodos Investment Management and Triodos Investment Advisory & Services BV. In addition, she is a Member of the Board of Triodos SICAV I, Triodos SICAV II, Stichting Triodos Sustainable Trade Fund, Stichting Hivos-Triodos Fund and Stichting Triodos Renewable Energy for Development Fund. Marilou van Golstein Brouwers is also a Member of the Board of Global Impact Investing Network (GIIN) and Chair of the Supervisory Board of B Corps Europe, one of the ‘We-Fi’s Leadership Champions, the Women Entrepreneurs Finance Initiative housed in the World Bank’ and Chair of the Supervisory Board of Qredits. As at December 31, 2018, Marilou van Golstein Brouwers held 699 shares in Triodos Renewables Europe Fund.

D.J. van Ommeren
Dick van Ommeren is Managing Director at Triodos Investment Management and Triodos Investment Advisory & Services BV. He is a Member of the Board of Triodos SICAV I and a Member of the Board of the Dutch Fund and Asset Management Association (DUFAS). As at December 31, 2018, Dick van Ommeren did not hold any shares in Triodos Renewables Europe Fund.

Fund Manager

V.R. van Haarlem
Vincent van Haarlem has been fund manager of Triodos Renewables Europe Fund since September 1, 2015. He has an extensive track record in the field of renewable energy financing and has been part of the investment team of Triodos Renewables Europe Fund since 2014. Before joining Triodos Investment Management, Vincent van Haarlem worked in the energy sector for over ten years, both in the fields of project finance and private equity. Besides renewable energy, he also has experience in the fields of offshore oil and gas and traditional power plants. He has a wide experience in business development, portfolio management, asset remarketing, project finance and restructuring with respect to the aforementioned asset classes. Vincent van Haarlem holds an MSc in economics

(corporate finance) from Erasmus University Rotterdam and an MBA from IE Business School in Madrid. As at December 31, 2018, Vincent van Haarlem did not have any shares in Triodos Renewables Europe Fund.

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Rated by:

ENVIRONMENT
LUXFLAG

The Luxembourg Fund Labelling Agency (LuxFLAG) is an independent, non-profit association. The Agency, founded in 2006, aims to promote the raising of capital for Responsible Investment sectors by awarding a recognisable label to investment funds. Its objective is to reassure investors that the applicant investment fund invests, directly or indirectly, in the responsible investment sector. The applicant fund may be domiciled in any jurisdiction that is subject to a level of national supervision equivalent to that available in European Union countries.

Colophon

Triodos SICAV II - Triodos Renewables Europe Fund annual report 2018

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Photos in this annual report have been provided by companies in which Triodos Renewables Europe Fund invests.

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If you have comments or questions about this report, please contact Triodos Investment Management.

This document can be downloaded from: www.triodos-im.com.

Triodos Investment Management