



Triodos Renewables Europe Fund

Audited annual report 2013

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 Audited annual report 2013

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Triodos Investment Management is a 100% subsidiary of Triodos Bank. Triodos Investment Management is the Investment Manager of Triodos Renewables Europe Fund and manages the assets on a day-to-day basis.

Key figures

(amounts in euros)	2013	2012	2011	2010	2009
Total net asset value (end of reporting period)	58,019,977	65,689,152	49,814,037	49,716,537	31,584,322
Number of R-shares outstanding (end of reporting period)	765,880	1,991,524	1,463,349	1,582,896	978,862
Number of Z-shares outstanding (end of reporting period)	1,247,267	n.a.	n.a.	n.a.	n.a.
Number of I-shares outstanding (end of reporting period)	126,652	110,983	79,650	86,307	110,142
Income	4,703,378	3,282,705	937,614	1,403,584	1,253,352
Expenses	1,842,106	1,971,266	1,497,229	1,615,454	940,798
Net operating gain/loss	2,861,272	1,311,439	-559,615	-211,870	312,554
Realised and unrealised gains/losses on investments	-6,119,921	-3,276,321	4,276,330	1,218,523	971,200
Net result	-3,258,649	-1,964,882	3,716,715	1,006,653	1,283,754
Ongoing charges per R-Share*	3.06%	3.35%	3.27%	n.a.	n.a.
Ongoing charges per Z-Share**	2.51%	n.a.	n.a.	n.a.	n.a.
Ongoing charges per I-Share*	2.48%	2.76%	2.69%	n.a.	n.a.

Net asset value (NAV) per share***

(amounts in euros)	27.12.2013	27.12.2012	29.12.2011	30.12.2010	31.12.2009
R-Share	29.56	31.10	32.05	29.69	28.90
Z-Share	25.18	n.a.	n.a.	n.a.	n.a.
I-Share	30.83	32.24	33.04	30.43	29.45

Return based on NAV per share***

	1 year return	3 year return p.a.	5 year return p.a.	Return p.a. since inception
R-Share	-5.0%	-0.1%	1.4%	2.3%
Z-Share	-4.9%	-0.1%	1.4%	2.3%
I-Share	-4.4%	0.4%	2.0%	2.9%

Source: RBC Investor Services and Triodos Investment Management

* The ongoing charges reflect the total normalized 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.

** This share class was launched in 2013. Ongoing charge is based on best estimate.

*** NAV per share is based on the last share prices published during the year, i.e. the last trading share prices of the reporting period.

**** This share class was launched in 2013. Due to a limited history historic returns are based on the R-share class which has an identical investment policy.

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Introduction

Energy is an indispensable asset. After food, water, medicines and shelter, energy has become a necessity of modern life, and access to it enables economic development.

Despite the benefits, current energy consumption patterns have a profoundly negative environmental impact. Concerns have been expressed for many years about the local impact of fossil fuel production and the air pollution caused by high levels of energy consumption, especially in densely populated areas. Over the last 20 years, evidence of a much more complex, all-encompassing environmental impact of our energy consumption has become apparent: climate change. Increasing evidence – be it scientific or unusually extreme weather conditions – have served as a wakeup call and led to demands for a drastic change in our energy production and consumption. What is required is a transition from our current carbon-based energy system to a society powered by renewable energy sources.

Renewable energy is the way forward. Wind and solar energy, hydropower, geothermal power and energy from biomass are the modern alternatives to oil, natural gas and coal: no more polluting and damaging extraction methods or emissions of substances that pollute the environment and cause global warming. The alternative is clean, endless sources of energy that do no harm to the environment.

Mission

Triodos SICAV II - Triodos Renewables Europe Fund (Triodos Renewables Europe Fund) has been designed to offer investors the opportunity to actively contribute to the growth of renewable energy production in Europe. It invests in relatively small-scale European producers of green power, such as wind farms, solar energy power plants, biomass installations and hydropower facilities.

Triodos Renewables Europe Fund is an initiative of Triodos Bank NV. Long before climate change gained mass media attention, Triodos Bank was interested in energy production and consumption, and its impact on people and planet earth. It has been an active investor and financier of clean energy initiatives in Europe and developing countries for more than 25 years. Triodos Renewables Europe Fund acknowledges that although renewable energy is the way forward, reducing energy demand and increasing the efficiency of energy conversion from fossil fuels will be of equal importance in the next few decades.

Report of the Board of Directors

Triodos SICAV II – Triodos Renewables Europe Fund's net assets decreased to EUR 58.0 million at the end of 2013 (2012: EUR 65.7 million). As at 31 December 2013, 83.8% of Triodos Renewables Europe Fund's net assets were invested (2012: 71.3%). At year-end, Triodos Renewables Europe Fund had 40 investments outstanding in 21 different projects. Triodos Renewables Europe Fund invests directly in renewable energy projects by means of equity participations, shareholder loans and/or subordinated loans. The total green power generation capacity of the projects in which the fund has invested is 244 MW (2012: 214 MW). Altogether, these projects generated approximately 484 GWh in 2013 (2012: 418 GWh), providing more than 138,000 households with clean energy, which equates to a reduction in CO2 emissions of approximately 174,550 tonnes per year.

Since the inception of the fund in 2006, the R-Share Class has generated an average annual return of 2.3%. Its performance for 2013 was -5.0% (2012: -3.0%). The institutional share class has generated an average annual return of 2.9% since the inception of the fund. Its performance for 2013 was -4.4% (2012: -2.4%)¹. The return was largely influenced by the revaluation of the Spanish portfolio in the summer of 2013.

Market developments

The renewable energy market continues to evolve. More countries are seeking feasible solutions for their energy requirements and are adding renewables as an additional source of energy. Governments keep setting targets for renewable energy production for 2020 and beyond. This will require consistent investment schemes in the coming years. At the same time, European governments have scaled back subsidies and support schemes. This is mainly a result of an ongoing decrease in the amount of investment capital needed per MWh produced for renewable

energy projects such as solar PV and wind energy. Renewable energy projects can be realised at lower costs than in the past and the management of Triodos Renewables Europe Fund can therefore see the justification for modifying stimulus programmes.

Most of the regime adjustments are forward looking (e.g. United Kingdom, Denmark and Germany) and are aimed at reducing the stimulus programmes for renewable energy at some point in the future. In Spain, however, the changes in the Feed-in Tariffs (FiT) and subsidies for new solar-PV projects were implemented retro-actively. This has resulted in a large degree of uncertainty towards energy generating assets.

Overall, Triodos Renewables Europe Fund still sees ample opportunities for growing its portfolio due to its market niche, its flexibility in terms of financing solutions as well as its presence in the market with longstanding partnerships. The target areas for Triodos Renewables Europe Fund for future developments are solar PV in the UK and France and wind energy in the UK, The Netherlands, France and Scandinavia.

Triodos Renewables Europe Fund expects to allocate funds to new investment opportunities. There are opportunities for increasing the fund's stake in existing projects or new projects initiated by existing partners, but also for acquiring solar PV and wind

EUR 58 million

asset under
management

¹ Share price performance/(average) annual return calculations are based on the share prices published on the last trading date (Thursday) of the year.

projects in the UK, the Netherlands or Scandinavia. This pipeline has the potential to generate higher returns at a limited risk. This is based on the high predictability of irradiation, which ensures stable cash flows, and the usually solid return of the wind projects developed by reputable counterparties that carry out detailed wind resource analysis.

In other European countries the fund exercises caution and will only consider an investment if it is possible to co-invest with a reputable, well-known partner and if active local ownership is guaranteed.

Competition in the renewable energy sector is increasing due to the growing appetite of new and bigger players in the renewable energy sector. It is

expected that in a growing number of regions the dependence on subsidies will diminish, as a result of which the value of investments may become more sensitive to market electricity prices. Triodos Renewables Europe Fund is likely to become increasingly exposed to market price movements as investments and the sector mature. The correlation with market energy price movements will ultimately contribute to the fund's ability to keep pace with inflationary developments: a positive outcome from an investor's point of view. Finally, the associated increase of the volatility of the fund's financial performance will also decrease its exposure to country and regulatory risks associated with the renewable energy market.



WINDPARK MIDLUM, GERMANY

Windpark Midlum, in the municipality of Midlum, Lower Saxony, has been operational since 1999. The wind farm consists of 70 Enercon E-40 turbines.



Turning to the target markets of Triodos Renewables Europe Fund, we have observed some country-specific sector trends.

In **The Netherlands** the Dutch renewable energy support scheme is captured in the Energy Agreement for sustainable Growth of the Social and Economic Council, which was finalised in mid-2013. The purpose of the Energy Agreement is to express the Government's aim of achieving a fully sustainable energy supply system by 2050 within an international context. The parties to the Energy Agreement mainly aim to reduce energy consumption by an average of 1.5% each year. Furthermore, they want to increase the proportion of energy generated from renewable sources from 4.4% currently to 14% in 2020 and to 16% in 2023. In the slipstream of these targets they want to create 15,000 full-time jobs. The total wind capacity in the Netherlands increased by 303 MW and reached a total of 2,468 MW onshore and 228 MW offshore. In order to reach the aim of 6,000 MW onshore wind by 2020 the construction speed should be accelerated quickly.

Belgium's renewable energy sector has traditionally been supported by the federal and regional governments through schemes based on green certificates, whose monetary value represents the environmental value of the renewable energy generated. Electricity from renewable energy sources is given priority in terms of connection to as well as use of the grid. Distribution grid operators are obliged to finance grid expansion. Diverse policies are currently under discussion. The level of implementation differs. Belgium is expected to adjust policies prospectively, but will not change the commitments to renewable energy investments made in the past. The growth of the wind sector in Flanders was limited to only 25 new turbines with a total capacity of 56.9 MW on a total installed capacity of 480 MW. The solar market in Flanders almost came to a standstill in 2013 with only 2,700 new connections, versus 44,000 new connections in 2012 and 82,400 in 2011. The reduction of green certificate prices for new solar projects in Flanders was apparently introduced to fast for the market to be able to adjust.

France's energy policy focuses mainly on nuclear power, which accounts for more than 75% of France's electricity production. Nevertheless, policy support for renewable energy has increased over the last decade and France is slowly moving towards more sustainable resources for renewable electricity, which should in time speed up the process of developing renewable energy projects. The two main sources of renewable energy used in France are biomass and hydropower. In France, electricity from renewable sources is promoted through a feed-in tariff and tax benefits. By mid-2013 France had installed only 198 MW in new wind capacity, bringing the total installed capacity to 7,821 MW. Given a target of 19,000 MW by 2020, the market potential here is significant. The same is true for solar, as sector growth in the first half of the year was below target, with only 207 MW in newly installed capacity - 73% less than in the previous year. France is currently reviewing its subsidies for green energy as it is seeking to curb the cost of its plans to shift energy generation from nuclear to renewables. France's newly launched consultation on renewable energy support schemes will consider, among other things, how to better integrate these schemes in the power market. Despite or perhaps because of its abundant, yet inflexible, nuclear generation, France, like other European countries, is looking more at how to integrate renewable energy in its power market.

In **Spain**, the main support scheme that operated until the end of 2012 was suspended in July 2013 and there are currently no other support schemes in place. However, the projects are still receiving the former remuneration as an advance payment. After the new legislation comes into force, which is expected in the first quarter of 2014, the projects will review the advance payments. In July 2012 the Spanish government announced a new tax on energy production, applicable as of 1 January 2013, which will affect revenues from both conventional and renewable energy generation. Additionally, in February 2013 a Royal Decree was published establishing Feed-In-Tariffs for the renewable energy sector which are no longer fully adjusted in

line with the core Consumer Price Index. This new decree is the third government intervention that has led to a downward revaluation of Spanish assets in the fund's portfolio since the start of 2011. Spain remains an attractive solar market due to its high irradiation levels, but is characterized by a large degree of uncertainty about energy generating assets due to its complicated financial situation and political climate. No new additions to the Spanish project portfolio are considered as long as the market remains uncertain about energy investments.

In the **United Kingdom** renewable energy is currently supported by two mechanisms: the fixed price feed-in tariff (FiT) for projects with a generating capacity below 5 MW and the Renewable Obligation Certificates (ROC) for generation capacity above 5 MW, which means that projects benefit from the market price for electricity as well as a premium for the ROC. Renewable energy generating capacity is connected to the grid under the principle of non-discrimination, where plant operators are granted the right to access the grid. Grid operators are obliged to expand the electricity network to accommodate new energy capacity. The government continues to see the development and deployment of more renewable energy as one of the key measures in addressing climate change and aims to source 15% of the country's electricity from renewable sources by 2020. The UK government has introduced the Energy Market Reform (EMR) following 2 years of consultation. The EMR introduces a transitional phase between 2014 and 2017. Under the transitional arrangements new projects will have the option of qualifying under the revised Feed in Tariff Contract for Difference (FiT CfD), or the existing ROC scheme. From April 2017 the FiT CfD will become the primary support mechanism for projects with a capacity of over 5 MW. The UK Government is committed to honouring (grandfathering) the existing support for projects which have already qualified. Our UK investment will therefore continue to benefit from the ROC scheme.

Germany remains the largest market for renewable energy in Europe, for both solar and wind, but

138 thousand households

provided with
clean energy

consumers are facing high electricity prices and there are challenges related to the grid (which has not been designed to optimally combine the usage of renewable and conventional energy). The new government in Germany will focus on furthering competition and reducing the costs of new renewable power plants in order to execute the EUR 550 billion programme to shut down Germany's nuclear power plants. The government drafted a new energy legislation in which it stated that no changes will be applied retrospectively. As many measures as possible are to enter into force in the second half of 2014. Germany, the world's biggest market in 2012, added about 3,300 MW of solar panels in 2013, compared with an all-time high of 7,600 MW the year before. Subsidy cuts for new projects exceeded the price falls for new solar units. This slowed down the development of renewable energy facilities. Wind continued its stable growth, as 1,205 MW in new capacity was added in 2013 (28% more than 2012), bringing the total capacity to 32,513 MW. Solar and wind produced 29.7 TWh and 47.2 TWh respectively (5.3% and 8.4% of the total energy consumption in Germany).

Investments

Triodos Renewables Europe Fund benefited from a sizeable increase of entrusted funds in 2012, which gave it significant room for servicing the renewable energy market in 2013. The fund closed three transactions in 2013.

On February 28, 2013 the fund made a joint investment with Triodos Renewables plc in the

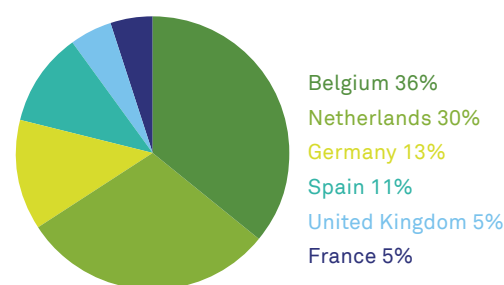
operational 10 MW Ransonmoor wind farm owned by Fenpower Ltd in the United Kingdom. The two Triodos funds invested in the “first of many” UK wind farms, by jointly acquiring a 49.8% stake. Ransonmoor is a five turbine, 10 MW onshore wind farm and has been operating since 2007. The investment in an operational wind farm has many benefits, including the immediate delivery of environmental and financial returns to our shareholders. In addition, the sum paid for the shareholding in the business will contribute to the construction of a further 10 MW wind farm in the area. The renewable energy market in the UK provides ample opportunities and with a network already present within the Triodos group, the fund is well-positioned to enter this market.

On March 28, 2013 the fund acquired a majority stake in the 2.6 MWp solar plant GFS Veurne in Flanders. This solar plant was developed by Greenfever. The entrepreneurs behind Greenfever remain active as managers of the solar plant and remain minority shareholders in GFS Veurne. Triodos Renewables Europe Fund already provided a subordinated loan to GFS Veurne BVBA at the start of the construction in 2009. The solar plant consists of 12,780 solar panels and has a very high stable production of 2.9 GWh, generating enough green energy for 800 households.

Finally, approval was also received for providing a profit sharing loan of up to EUR 5.0 million (of which EUR 4.4 million was disbursed in July 2013) for a bundled portfolio of 20 operational rooftop projects in Belgium totalling 20.3 MWp and developed, constructed and operated by Solar Access from the Netherlands. The equity stakes of SolarAccess in the solar portfolio differ per project and are held via its Belgian holding company Silvius Sun. Silvius Sun consist of 20 rooftop projects on industrial and agricultural buildings and benefits from the green certificate regime for solar projects in Flanders. In the agreement with Solar Access it is envisaged that Silvius Sun will become a joint venture of Triodos Renewable Europe Fund and Solar Access and Silvius Sun may expand its equity stake in the portfolio where feasible. The electricity is primarily

purchased directly by the occupants of the buildings where the plants are located. The total portfolio is expected to produce 17.1 GWh in 2013, the first year that all plants will be operational. This amount of electricity is sufficient for approximately 4,887 households. From 2014 onwards electricity production is expected to reach 18.6 GWh. By investing capital in this portfolio the fund is freeing up capital for developer SolarAccess to pursue the development of new renewable energy projects which will provide new investment opportunities for the Fund when ready for construction.

Country allocation (% of value of investments), December 31, 2013



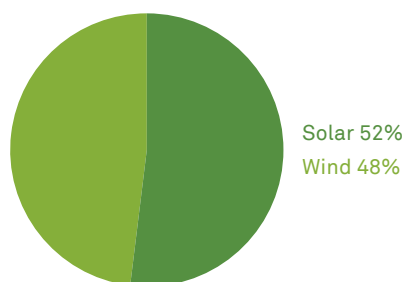
Source: Triodos Investment Management

The fund's portfolio remains well-diversified from a geographical point of view and the risk of adverse regulatory changes, which can affect the companies in the fund's portfolio, is spread (since cash flows generated by the projects are largely based on subsidies or feed-in tariffs paid by national governments). Due to the negative revaluation of the Spanish portfolio, the exposure to Spain decreased from 22% at the end of December 2012 to 11% of the total portfolio (9% of NAV) at the end of December 2013.

By 31 December 2013, the percentage of investments in biomass had been reduced to 0% due to the sell down for 3 biomass projects in the portfolio. Solar projects (ground-mounted as well as solar roof systems) account for 52% of the portfolio. Compared with wind and biomass, solar energy provides the most stable cash flows on an annual

basis. The cash flows from wind energy projects are slightly less predictable because of greater fluctuations in the amount of wind per year. Nonetheless, in the long run, wind revenues are expected to be in line with long-term projections. All in all, the fund's weighted average portfolio discount rate slightly decreased from 9.6% at the end of 2012 to 9.5% at the end of 2013.

Sector allocation (% of value of investments), December 31, 2013



Source: Triodos Investment Management

Results

Financial results

Triodos Renewables Europe Fund closed its financial year with a net operating gain of EUR 2.9 million. EUR 4.7 million was generated from dividends, interest and EUR 3.8 million in repayments, resulting in a cash yield on a portfolio level of 9.2%. This

reflects the good quality and maturity of the portfolio (with projects that have all reached the operational phase) and the generally good performance of its investments.

The bottom line result was negative (EUR -3.3 million), mainly due to a downward revaluation of the Spanish investment portfolio and adjusted assumptions for the short-term energy prices for 2014 and 2015.

The revaluation of the fund's Spanish assets was triggered by the Spanish government's plans for a new tax on energy production as announced in July 2013 (see also the sections on Market Developments and Investments above).

The overall performance of -4.4% is a result of an operational performance of 4.8% and the negative impact of the revaluation of the Spanish assets (-8.2%) and changes in the short term energy prices for 2014 and 2015 (-1.0%). The diversification of the assets and the variety of exposure towards regimes, market prices and technology mitigated the negative returns resulting from external factors such as the Spanish government's decision to suspend the support scheme.

Return

The revaluation of the Spanish investments described above resulted in a negative share price performance for Triodos Renewables Europe Fund in 2013. The operational performance of the portfolio

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

Share class	1 year return p.a.	3 year return p.a.	5 year return p.a.	Average p.a. since inception
R-cap (EUR)	-5.0%	-0.1%	1.4%	2.3%
I-cap (EUR)	-4.4%	0.4%	2.0%	2.9%
Z-cap (EUR)**	-4.9%	-0.1%	1.4%	2.3%

* Annual return calculations are based on the share prices published on the last trading date (Thursday) of the year.

Source: RBC Investor Services and Triodos Investment Management

** The Z-Share class has a limited history. Historic returns are based on the similar R-Share class which has an identical investment policy.

was in line with expectations and if the adjustments in Spanish energy sector and pricing were to be excluded, the net return would be in line with the fund's target return of 5% to 7%.

Liquidity

In the course of the year the fund's liquidity position decreased from 29.5% of the net asset value at the end of 2012 to 17.2% by the end of 2013. The decrease was partly due to 3 new investments made by the fund. The fund's liquidity position is close to the target level of 10% and new funds entrusted will be required in 2014 to be able to remain on the same investment growth path.

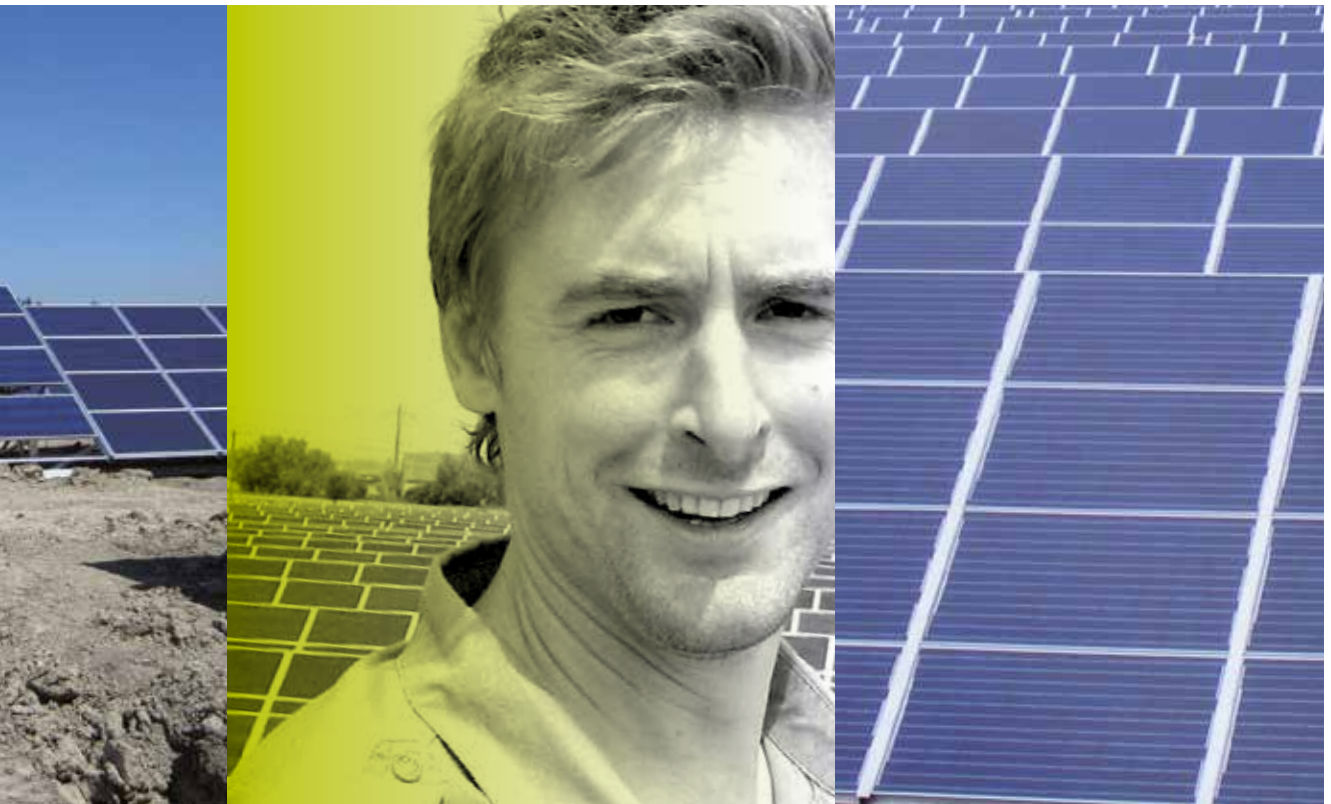
Costs

The main elements of the Triodos Renewables Europe Fund cost base are the fees paid for investment services, support services and distribution activities. The Investment Manager, Triodos Investment Management, takes care of acquisition, analysis, preparation of the proposals for consideration by the Investment Committee, decision-making and documentation of investments as well as close monitoring of the portfolio companies. In 2013 Triodos Renewables Europe Fund's ongoing charges, including the management fee, amounted to 3.06% for R-Shares and 2.48% for I-Shares (3.35% and 2.76% respectively in 2012).



SOLAR PLANT GFS VEURNE, BELGIUM

Solar plant GFS Veurne, in the municipality of Veurne, Flanders, consists of 12,780 solar panels with a combined capacity of 2.6 MWp. It was developed by Greenfever and started operations in July 2009.



Risk

Investments in Triodos Renewables Europe Fund are subject to several risks, which are described in detail in the fund prospectus. Some of the risks are highlighted below.

Project risk

A long-term risk is constituted by the fact that the amount of electricity that is produced is determined by various uncertain factors, such as wind speed, rainfall and sunlight. Added to that, there is a technology risk (e.g. actual performance of turbines and solar panels) that could 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 project level. The performance of the project also depends on the quality of the plant management. This risk is mitigated by working with experienced developers and by using knowledgeable advisors to determine the expected electricity production and plant performance.

Market risk

Another risk is the potential volatility of income from the electricity that is produced. In cases where a project is partly or entirely dependent on market electricity prices and is not fully eligible for fixed feed-in tariffs and subsidies, the expected income and valuation of projects could fluctuate along with changes in market electricity prices. This risk is partly mitigated by diversification across regions and technologies.

Regulatory risk / Country risk

There is a risk with regard to the stability of expected income when national feed-in tariffs and subsidies apply. Generally speaking, subsidy schemes may be curtailed faster than market prices for installations, which could temporarily restrict new investment opportunities with an acceptable return. 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.

In Spain this type of risk materialised on three occasions in two years' time: in early 2011, as unexpected restrictions on subsidy schemes were implemented with retroactive effect, in the third quarter of 2012, when the government announced plans for a new tax on energy production, including renewable energy production, and in February 2013, when a Royal Decree was published establishing Feed-In-Tariffs for the renewable energy sector which are no longer fully adjusted in line with the Consumer Price Index.

Triodos Renewables Europe Fund mitigates regulatory risks by means of geographical and technological diversification.

Interest rate risk

The performance of Triodos Renewables Europe Fund is susceptible to capital market interest rates. This is due to the valuation method, which involves calculating the net present value of expected cash flows using a discount factor that incorporates the one-year rolling average market interest rate. In principle, rising interest rates will have a negative impact and falling interest rates will have a positive impact on the valuation of underlying investments. The positive impact of decreasing interest rates is, however, capped as the valuation method incorporates a minimum discount rate.

Liquidity risk

Triodos Renewables Europe Fund invests in assets that are not listed on a stock exchange and that are relatively illiquid. In view of the fund's open-end structure (enabling subscription and redemption of shares on a weekly basis) this could potentially lead to a situation in which the fund needs to temporarily close for redemptions. There is also a risk that the fund may be unable to obtain sufficient liquidity to fulfil its financial obligations. This risk is mitigated by aiming to keep a sufficient percentage of its assets in cash or cash equivalents. Additionally, the fund is allowed to borrow up to 40% of its net assets.

Exchange rate risk

Triodos Renewables Europe Fund invests in an asset that is valued in sterling (GBP). The fund aims to diversify its assets across regulatory regimes, different forms of technology and macro-economic factors that vary in terms of their impact on energy prices and the long-term value of assets. The fund does not apply a hedging policy, given the long-term strategy of the fund that implies that currencies do not impact the valuation of the portfolio. In the short term, however, currency fluctuation can have an impact on the value of the fund's portfolio.

Events after the balance sheet date

In recent years the financial and economic situation in Spain has led the Spanish government to announce large-scale austerity measures aimed at reducing the national budget deficit related to the electricity system. These austerity measures have had a significant impact on the energy sector in Spain, both for conventional and renewable energy. As a result, Triodos Renewables Europe Fund has had to revalue its Spanish investment portfolio on four occasions since January 2011. The latest provision was taken in July 2013, anticipating the forthcoming announcement of final reform measures and a new tariff for renewable and conventional energy.

On 3 February 2014 the Spanish National Commission for Markets and Competition (CNMC) released a report regarding the new tariff for renewable energy and cogeneration, which should result in a total reduction of EUR 1,700 million. The regulation for the new tariffs was expected to be announced officially later in February 2014 by the Board of Ministers through a Royal Decree. The formal announcement has not taken place yet. The provision that Triodos Renewables Europe Fund took on 10 July 2013 was based on the fund's expectations at that time. The newly published report of the CNMC does not indicate a materially different outcome for the Spanish investments of the fund than was already expected in July last year.

Since the outcome of the austerity measures is in line with expectations and with the provisions already taken by Triodos Renewables Europe Fund, no additional provisions need to be taken at this time and the Spanish exposure of the Fund remains unchanged at 11% of the investment portfolio (representing 9% of the fund's NAV).

Outlook

The outlook for the fund remains favourable. Due to the various partnerships and further strengthening of the portfolio and pipeline, Triodos Renewables Europe Fund has several opportunities for increasing the number of investments.

Since the first announcement of extensive austerity measures Triodos Renewables Europe Fund has not made any new investments in Spain. The focus is currently primarily on further geographical diversification of the portfolio by investing in Western and Northern European countries. The aim is to further optimize the fund's performance and liquidity position. Triodos Renewables Europe Fund continues to aim for an average annual return of between 5 and 7% over the medium to long term.

Fund Developments Triodos SICAV II

Policy on Confidential information, Chinese walls and Conflicts of interest

The Board of Directors of Triodos SICAV II has taken measures to mitigate conflicts of interest which may occur from the different roles and responsibilities its members have towards the managed funds, the funds investors and the companies in which is invested. The Board adopted clear procedures in place containing rules covering situations where (potential) conflict of interests could occur. The mentioned procedures are described in a 'Policy on Confidential information, Chinese walls and Conflicts of interest of Triodos SICAV II'.

Alternative Investment Managers Directive

Regulations for investment management firms are continuously in development both on the European and Luxembourg level. Triodos SICAV II is affected by many regulations. In 2013, particular attention by the fund was paid to the implementation of the stipulations of Circular 12/546 of the Luxembourg supervisor CSSF and the consequences of the European Union's AIFMD on the role of Triodos Investment Management as investment manager.

Ban on retrocession fees

On January 1, 2014 a prohibition of rebate fees for investment funds came into force in the Netherlands. The result being that Dutch distributors are no longer allowed to receive rebate fees from an investment fund and they will, depending on the distributor, charge costs directly at individual investors. Therefore, Triodos SICAV II issued rebate free Z-shares for the sub-fund Triodos Renewables Europe Fund.

Luxembourg, April 7, 2014

The Board of Directors of Triodos SICAV II

Pierre Aeby (Chairman)

Marilou van Golstein Brouwers

Patrick Goodman

Olivier Marquet

Garry Pieters

Alexander Schwedeler

General information

Structure

Triodos Renewables Europe Fund was launched in June 2006 as a sub-fund of Triodos SICAV II, the first Luxemburg investment company to be launched by Triodos Bank. The fund has an open end fund structure and is not quoted on any stock market. Triodos Renewables Europe Fund has Euro share classes for retail and institutional investors.

Triodos Renewables Europe Fund is managed by Triodos Investment Management BV, which is a wholly-owned subsidiary of Triodos Bank NV.

Triodos S II LuxCo S.à r.l., an intermediate holding company and a wholly-owned subsidiary of Triodos SICAV II, was incorporated under Luxembourg law in February 2011. Triodos S II LuxCo S.à r.l. acts as a holding company for a selection of investments made by Triodos Renewables Europe Fund.

The Annual General Meeting of Shareholders takes place in the city of Luxembourg, at a place specified in the notice of the meeting, each year on the last Wednesday in April. If such day is not a business day then the meeting will be held on the next business day. Notice of any General Meeting of Shareholders will be mailed to each registered Shareholder at least eight days prior to the meeting and will be published to the extent required by Luxembourg law in the Mémorial. Triodos SICAV II publishes an integrated detailed audited report annually in Luxembourg. Triodos SICAV II also publishes an integrated detailed semi-annual report in Luxembourg. Separate reports for each sub-fund of Triodos SICAV II are published by Triodos Investment Management. Copies may be obtained free of charge from the registered office of Triodos SICAV II and can be downloaded from Triodos Bank: www.triodos.com and www.triodos.nl.

Investment policy

Triodos Investment Management BV has identified market opportunities for Triodos Renewables Europe Fund as a result of the increasing attention

being paid to renewable energy production and the need for it as well as the urgency to diminish the negative impact of conventional energy production on our global environment.

The fund does not invest in renewable energy technology or technology providers, but predominantly in the actual production of green electricity: “green kilowatt hours”. Investments will be made in small and medium-sized renewable energy production facilities. These renewable energy production facilities derive sustainable energy from natural resources such as wind, sun, biomass and flowing water. The main focus of the fund will be on investments in wind farms, solar photovoltaics and solar thermal installations, clean biomass installations and small hydro projects. These small and medium-sized installations are typically privately owned and/or operated by a special purpose company.

Triodos Renewables Europe Fund will primarily (95%) invest in ‘project companies’ that operate existing renewable energy power plants or newly developed plants / installations. The fund invests at the start of the construction period (“financial close”) or in a later phase of the projects. The investments constitute well-developed projects (e.g. those using proven technologies, with solid project contracts, adequate insurance cover, qualified management of the project and availability of irrevocable required permits and licenses, a power purchase agreement, a grid connection, solid cash flow projection and project financing in place to the satisfaction of the fund).

Fiscal aspects

According to the law in force and current practice, Triodos Renewables Europe Fund is not subject to any Luxembourg tax on income and capital gains. Dividends paid by the fund are not subject to any Luxembourg withholding tax. However, the fund is subject to a subscription tax (taxe d’abonnement) at an annual rate of 0.05% p.a. This rate may be decreased to 0.01% p.a. for certain classes of

shares which are restricted to institutional investors as specified in the prospectus. This tax is calculated and payable quarterly on the basis of the net asset value of Triodos Renewables Europe Fund at the end of each quarter. In addition, the issue of shares in the fund is not subject to any registration duties or other taxes in Luxembourg. Some dividend and interest income from the fund's portfolio may be subject to withholding taxes at variable rates in the countries of origin. Dividends received through Triodos S II LuxCo S.à r.l. are in principle tax exempt.

As holders of shares in Triodos Renewables Europe Fund, shareholders do not have to pay any income and capital gains tax, any withholding tax, or any other form of tax in the Grand Duchy of Luxembourg (except with regard to (I) shareholders domiciled, resident or having a permanent establishment in Luxembourg, (II) some non-residents of Luxembourg who own 10% or more of the capital of the fund and who sell all or part of their shares within six months of their acquisition and (III) in some limited cases, some categories of former residents of Luxembourg if they own 10% or more of the capital of Triodos SICAV II). The above information is based on the law in force and current practice and is subject to change.

Triodos sustainability reporting

Triodos Renewables Europe Fund is managed by Triodos Investment Management BV, which is a wholly-owned subsidiary of Triodos Bank NV.

All investment funds report separately on their financial performance in an annual report. The co-workers involved in the management of these funds are employed by Triodos Bank. All social policy aspects, including the remuneration policy, are described in Triodos Bank's annual report.

The 2013 Annual Report of Triodos Bank is an integral sustainability report produced in line with the Global Reporting Initiative (GRI) sustainability reporting guidelines. These guidelines provide an internationally consistent format for information

about a company's performance, particularly with regard to social and environmental issues.

For reporting in 2013, Triodos Bank used the third generation of GRI guidelines published in October 2006 and the GRI Financial Services Sector Supplements published in 2008. More about the GRI and its reporting guidelines can be found at www.globalreporting.org.

Further information on the social and environmental performance of Triodos Bank and its investment funds can be found in the Annual Report of Triodos Bank.

Triodos Investment Management BV is a member of the Stichting Klachteninstituut Financiële Dienstverlening (KiFiD).

Climate-neutral operations

Triodos Bank takes responsibility for its CO₂ emissions. The bank's environmental policy includes a three-step approach: firstly, to reduce energy consumption as much as possible, secondly, what cannot be saved is sourced from renewable energy providers, and thirdly, residual emissions (from gas consumption, paper usage, business travel and commuting) are compensated for by buying CO₂ credits. 50% of CO₂ emissions were compensated by emission reduction projects, in line with the Gold Standard. The other 50% is accounted for by Verified Carbon Standard (VCS) sustainable forestry projects. The use of volatile organic compounds and compounds that destroy the ozone layer are avoided.

Summary of annual accounts 2013

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Statement of net assets as at December 31, 2013

(amounts in EUR)	Notes	December 31, 2013	December 31, 2012	December 31, 2011
Assets				
Fixed assets				
Investment in financial assets (Historic cost: EUR 49,061,903 as at December 31, 2013; EUR 42,445,902 as at December 31, 2012; EUR 42,364,754 as at December 31, 2011)	2	48,636,429	46,811,362	50,048,687
Current assets				
Cash and cash equivalents		10,047,431	19,400,627	2,661,082
Interest receivable	2	39,902	40,255	16,171
Subscriptions receivable		50,207	26,692	116,915
Other receivable		15,000	–	–
Other current assets		19,934	87,291	87,291
Total assets		58,808,903	66,366,227	52,930,146
Liabilities				
Liabilities due within one year				
Loan		–	–	2,500,000
Investment management, distribution and service fees payable	6	360,528	391,444	362,154
Redemptions payable		45,240	87,530	99,569
Accounts payable and accrued expenses	9	383,158	198,101	154,386
Total liabilities		788,926	677,075	3,116,109
Net assets		58,019,977	65,689,152	49,814,037

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

Statement of operations for the year ended December 31, 2013

(amounts in EUR)	Notes	December 31, 2013	December 31, 2012	December 31, 2011
Income:				
Dividend income	2	2,858,987	1,537,790	339,447
Interest on loans	2	1,614,080	1,435,124	432,319
Bank interest		71,144	65,935	41,569
Other income	7	159,167	243,856	124,279
Total income		<u>4,703,378</u>	<u>3,282,705</u>	<u>937,614</u>
Expenses				
Amortisation of formation expenses and restructuring costs	3	–	–	149,151
Investment management, distribution and service fees	6	1,502,831	1,460,358	1,153,871
Administrative and custodian fees	5	131,701	122,128	100,892
Audit and reporting expenses		52,241	61,504	62,022
Subscription tax	4	28,395	29,104	22,953
Interest paid		–	–	83
Other tax		3,632	1,911	2,259
Other expenses	8	123,306	296,261	5,998
Total expenses		<u>1,842,106</u>	<u>1,971,266</u>	<u>1,497,229</u>
Net operating gain/(loss)		2,861,272	1,311,439	(559,615)
Realised gain/(loss) on investments		(1,329,074)	42,152	–
Change in net unrealised appreciation/ (depreciation) on investments		(4,790,847)	(3,318,473)	4,276,330
Net increase/(decrease) in net assets resulting from operations		<u>(3,258,649)</u>	<u>(1,964,882)</u>	<u>3,716,715</u>

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

Statement of changes in net assets for the year ended December 31, 2013

(amounts in EUR)	Notes	December 31, 2013	December 31, 2012	December 31, 2011
Operations				
Net operating income		2,861,272	1,311,439	(559,615)
Realised gains/(loss) on investments		(1,329,074)	42,152	–
Change in net unrealised appreciation/ (depreciation) on investments		(4,790,847)	(3,318,473)	4,276,330
Net increase/(decrease) in net assets resulting from operations		<u>(3,258,649)</u>	<u>(1,964,882)</u>	<u>3,716,715</u>
Capital Transactions				
Capital subscriptions				
R Share Class		8,640,939	22,181,739	10,753,363
I Share Class		501,838	1,042,077	98,552
P Share Class		–	–	–
Z Share Class		31,370,298	–	–
Total subscriptions		<u>40,513,075</u>	<u>23,223,816</u>	<u>10,851,915</u>
Capital redemptions				
R Share Class		(44,916,945)	(5,368,555)	(14,158,430)
I Share Class		(5,138)	(15,264)	(312,700)
P Share Class		–	–	–
Z Share Class		(1,518)	–	–
Total redemptions		<u>(44,923,601)</u>	<u>(5,383,819)</u>	<u>(14,471,130)</u>
Net increase/(decrease) in net assets resulting from capital transactions		<u>(4,410,526)</u>	<u>17,839,997</u>	<u>(3,619,215)</u>
Net assets				
Net assets at the beginning of the year		65,689,152	49,814,037	49,716,537
Total increase/(decrease) in net assets		(7,669,175)	15,875,115	97,500
Net assets at the end of the year		<u>58,019,977</u>	<u>65,689,152</u>	<u>49,814,037</u>

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

Cash flow statement for the year ended December 31, 2013

(amounts in EUR)	December 31, 2013	December 31, 2012	December 31, 2011
Cash provided by operating activities			
Profit/(loss) after taxation	(3,258,649)	(1,964,882)	3,716,715
(-) increase/(+) decrease in unrealised gains and losses on investments and forward foreign exchange contracts	4,790,847	3,318,473	(4,276,330)
(+) increase/(-) decrease in receivables and other assets	52,710	(24,084)	164,503
(+) increase/(-) decrease in payables	154,141	(2,426,995)	2,388,582
Net cash provided by operating activities	<u>1,739,049</u>	<u>(1,097,488)</u>	<u>1,993,470</u>
Cash provided by financing activities			
(+) proceeds from shares issued	40,489,560	23,314,039	10,910,212
(-) decrease from shares redeemed	(44,965,891)	(5,395,858)	(14,518,399)
Net cash provided by financing activities	<u>(4,476,331)</u>	<u>17,918,181</u>	<u>(3,608,187)</u>
Cash provided from investing activities			
(-) Acquisitions of financial assets	(6,615,914)	(81,148)	(3,536,453)
Net cash used by investing activities	<u>(6,615,914)</u>	<u>(81,148)</u>	<u>(3,536,453)</u>
Cash			
Net increase/(decrease) in cash and cash equivalents	(9,353,196)	16,739,545	(5,151,170)
Cash at the beginning of the year	19,400,627	2,661,082	7,812,252
Cash at the end of the year	<u>10,047,431</u>	<u>19,400,627</u>	<u>2,661,082</u>

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, 2013

	December 31, 2013	December 31, 2012	December 31, 2011
Number of Shares outstanding at the beginning of the year			
Share Class R	1,991,524.063	1,463,348.687	1,582,895.694
Share Class I	110,982.753	79,649.753	86,306.753
Share Class P	1.000	1.000	1.000
Share Class Z	–	–	–
Subscriptions over the year			
Share Class R	285,116.746	697,930.123	352,871.851
Share Class I	15,830.000	31,793.000	3,343.000
Share Class P	–	–	–
Share Class Z	1,247,327.231	–	–
Redemptions over the year			
Share Class R	1,510,761.068	169,754.747	472,418.858
Share Class I	161.000	460.000	10,000.000
Share Class P	–	–	–
Share Class Z	60.295	–	–
Number of Shares outstanding at the end of the year			
Share Class R	765,879.741	1,991,524.063	1,463,348.687
Share Class I	126,651.753	110,982.753	79,649.753
Share Class P	1.000	1.000	1.000
Share Class Z	1,247,266.936	–	–

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

Notes to the financial statements

1. General

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.

The Registered Office of the SICAV is established at 69, route d’Esch, L-1470 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 May 19, 2006 and published in 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, 2013 the SICAV has two Sub-Funds, namely Triodos Renewables Europe Fund and Triodos Microfinance Fund.

Triodos Renewables Europe Fund, to which the separate annual report relates, does not constitute a separate legal entity, but there exists another Sub-Fund which together with Triodos Renewables Europe Fund forms a single entity. An annual report which includes a complete description of both Sub-funds of the SICAV has been issued and can be obtained from Triodos Bank. For the purpose of the relations between shareholders, each Sub-Fund is deemed to be a separate entity.

The overall objective of Triodos SICAV II – Triodos Renewables Europe Fund (“the Sub-Fund”) is to offer investors an environmentally sound investment in renewable energy projects with the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable and lasting contribution to the development of sustainable energy sources.

The 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” (launched as at October 24, 2013), “I”, “P”. Class “R” and Class “Z” Shares are open to any investor. 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 out of which a majority of the directors of the SICAV must be appointed.

Currently, all shares are of the Capitalisation type. Therefore, the Sub-Fund does not pay dividends to its shareholders as realized profits are reinvested into 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 the Sub-Fund, is supervised by the Luxembourg supervisory authority, the Commission de Surveillance du Secteur Financier (CSSF).

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

2. Summary of significant accounting principles

Investments are valued at their fair value. The fair value is determined 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 International Private Equity and Venture Capital Association, 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.

Other assets are valued according to the following rules:

- (b) Senior debt instruments, invested in/granted to companies not listed or dealt in on any stock exchange or any other Regulated Market, 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 endeavors 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.
- (c) The value of money market instruments not listed on any stock exchange or dealt in on any other Regulated Market and with a remaining maturity of less than 12 months is deemed to be the nominal value thereof, increased by any interest accrued thereon.
- (d) The value of securities which are admitted to official listing on any stock exchange 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.
- (e) 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.
- (f) The liquidating value of futures, forward or options contracts not admitted to official listing on any stock

exchange or dealt on any other Regulated Market 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.

- (g) 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.
- (h) Swaps, 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.
- (i) 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.
- (j) Placements in foreign currency are quoted in euros with due observance of the currency exchange rates most recently known.
- (k) Realised and non-realised changes in the value of investments are incorporated in the profit and loss account.
- (l) The principle for determination of profit is based on the attribution of income and expenses to the relevant period. 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.
- (m) Other assets and liabilities are recorded at nominal value after deduction of any provision in respect of anticipated non-recovery.
- (n) The costs of investments expressed in currencies other than EUR are translated into EUR at the exchange rate prevailing at purchase date.
- (o) Interest income is accrued pursuant to the terms of the underlying investment. Income is recorded net of respective withholding taxes, if any.
- (p) 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.
- (q) Dividend income is recognised on cash basis, net of any withholding taxes.
- (r) Equity investments of Triodos SICAV II are excluded from consolidation due to exemptions by temporary holding, size and time window.

3. Formation expenses and restructuring costs

Restructuring costs relate to the incorporation of or the transfer of assets to Triodos SII LuxCo S.à r.l., a wholly-owned subsidiary of Triodos SICAV II.

4. 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.

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

5. Administrative and custodian fees

The Custodian and Paying Agent, Administrator, Domiciliary and Corporate Agent, and the Registrar and Transfer Agent are entitled to receive fees in accordance with usual practice in Luxembourg and payable monthly

The administrative and custodian fees comprise the following:

Currency (EUR)	2013	2012	2011
Domiciliary agency fee	14,856	19,167	13,144
Administrative fee	54,721	46,814	22,721
Transfer agency fee	38,326	34,207	36,518
Custodian fee	23,798	21,940	28,509
Total	<u>131,701</u>	<u>122,128</u>	<u>100,892</u>

6. Investment management, distribution and service fees

For the services it provides, the Investment Manager is entitled to an annual fee payable quarterly and calculated as described in the Sub-Fund's 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 and an annual fee of 1.95% for Class "I" Shares and Class "P" Shares, calculated on the relevant Class' Net Assets, accrued weekly and payable quarterly.

The 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 charged to the management fee. The costs for marketing activities incurred by the Investment Manager 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.

7. Other income

The other income comprises the following:

Currency (EUR)	2013	2012	2011
Arrangement fees	90,899	45,000	15,003
Redemption fees	68,268	41,211	64,249
Administrative fee and other income	–	157,645	45,027
Total	<u>159,167</u>	<u>243,856</u>	<u>124,279</u>

8. Other expenses

The other expenses comprise the following:

Currency (EUR)	2013	2012	2011
Supervisory fee (CSSF)	3,000	2,500	2,500
Remuneration of the Board of Directors/Manager*	20,000	18,750	1,206
Legal fees	15,083	81,826	38,579
Consulting fees	8,901	156,371	10,479
Marketing expenses	–	–	2,837
Recharge marketing expenses 2010	–	–	(82,240)
Loan interest	–	–	17,522
Bank fees	20,128	15,128	253
Other expenses	56,194	21,686	14,862
Total	<u>123,306</u>	<u>296,261</u>	<u>5,998</u>

* Amounts include the remuneration of the Board of Managers of the Sub-Fund's holding company Triodos S II LuxCo S.à r.l.

9. Accounts payable and accrued expenses

As at December 31, 2013, the accounts payable and accrued expenses mainly include the following expenses: administrative fees, audit fees, consulting fees, custodian fees, domiciliary agency fees, legal fees, subscription tax and transfer agency fees.

10. Off-balance sheet commitments

As at December 31, 2013 the Sub-Fund has committed to invest in the following companies:

- Fieva, Belgium, EUR 2,000,000
- Silvius Sun, Belgium, EUR 530,000

11. Ongoing charges cost ratios

	12 months ending December 31, 2013	12 months ending December 31, 2012	12 months ending December 31, 2011
Share Class I	2.48%	2.76%	2.69%
Share Class P	1.77%	1.94%	n.a.
Share Class R	3.06%	3.35%	3.27%
Share Class Z*	2.51%	n.a.	n.a.

* This share class was launched in the past year. Ongoing charge is based on best estimate

The ongoing charges reflect the total normalized 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.

12. Other information

As per December 31, 2013 or at any moment during the reporting period the members of the Board of Directors of the SICAV did not hold any shares in Triodos SICAV II, nor have they had any personal interest in any investment of Triodos SICAV II.

Report of the réviseur d'entreprises agréé

**To the Shareholders of Triodos SICAV II -
Triodos Renewables Europe Fund
69, route d'Esch, L-1470 Luxembourg**

We have audited the accompanying financial statements of Triodos SICAV II – Triodos Renewables Europe Fund, Sub-Fund of Triodos SICAV II (the “SICAV”), which comprise the statement of net assets as at December 31, 2013 and the statement of operations, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors of the SICAV

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of this financial statement in accordance with Luxembourg legal and regulatory requirements relating to the preparation of financial statements, and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Triodos SICAV II- Triodos Renewables Europe Fund as at December 31, 2013, and of the results of its operations, changes in its net assets and the cash flow statement for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 1 to the financial statements which describes that Triodos Renewables Europe Fund is a Sub-Fund of Triodos SICAV II and does not constitute a separate legal entity from Triodos SICAV II.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we

express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Luxembourg, April 7, 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

Jane Wilkinson
Partner

Appendix:

Project descriptions

Wind farm Growind, The Netherlands **www.growind.nl**

The wind turbines are located at the Eemshaven harbour near Delfzijl, on the northern coast of The Netherlands. Wind farm Growind is owned by several private investors and Triodos Renewables Europe Fund. The wind farm started operations between January and April 2008 and comprises 20 Vestas V90 3.0 MW wind turbines.

Wind farm Haringvliet, 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. Wind farm Haringvliet 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 6 BONUS 600 MK IV 600 kW wind turbines.

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

The wind turbines are situated at Neeltje Jans, part of the Oosterschelde flood barrier (part of the Delta Works), near Veere, The Netherlands. Wind farm Neeltje Jans is a joint-venture between Triodos Renewables Europe Fund, utility company Delta and developer E-Connection. The wind farm became operational in the summer of 2006 and comprises 3 Vestas V90 3.0 MW wind turbines.

Wind farm Roggeplaat, The Netherlands **<http://www.e-connection.nl/en/wind-farm-roggeplaat>**

The wind turbines are situated in a cluster on the Roggeplaat island, on both sides of the Oosterschelde flood barrier (part of the Delta Works) in the municipality Schouwen-Duiveland. Wind farm Roggeplaat is a joint-venture between Triodos Renewables Europe Fund and developer E-Connection. The current windfarm has four new

Enercon E-82 2.3 MW wind turbines since the summer of 2012.

Wind farm Roompotsluis, The Netherlands **www.e-connection.nl/en/wind-farm-roompotsluis**

The wind turbines are situated near the Roompot locks in the Oosterschelde flood barrier (part of the Delta Works) near Veere, The Netherlands. Wind farm Roompotsluis is a joint-venture between Triodos Renewables Europe Fund and developer E-Connection. The wind farm comprises 2 Vestas V90 3.0 MW turbines and became operational in the summer of 2006.

Wind farm Willem Annapolder, The Netherlands **www.weom.nl/windparken_willemannapolder.htm**

The wind turbines are located in the Willem Annapolder, near the town of Kapelle, on the north shore of the Westerschelde river. Wind farm Willem Annapolder is a joint venture between Nuon, Zeeuwind, a private investor and Triodos Renewables Europe Fund. The wind farm started operations beginning of 2003 with 10 NEG-Micon NM 52/900 wind turbines.

Wind farm Zeeland I, The Netherlands **www.e-connection.nl/en**

Wind farm Zeeland I is a joint-venture between Triodos Renewables Europe Fund, utility company Delta and developer E-Connection and consists of 3 wind farms in the southern part of the Netherlands: wind farm Vlissingen, wind farm Kapelle-Schore and Wind farm Jacobahaven. The wind turbines of wind farm Vlissingen are situated near the port. The wind farm started operations in 1991 and comprises 7 Vestas V29 225 kW wind turbines.

The wind turbines of wind farm Kapelle are situated on the sea wall near the town of Kapelle. The wind farm became operational in 1991 and comprises 2 Vestas V27 225 kW wind turbines. The current wind turbines of both wind farm Vlissingen and wind farm Kapelle replaced older 250 kW turbines which operated under the same permits and licences at these sites. This new generation of wind turbines

produces at least 45% more energy than the old wind turbines.

The wind turbines of wind farm Jacobahaven are situated at the Jacoba harbour at the southern end of the Oosterschelde flood barrier in the municipality of Noord-Beveland. The wind farm became operational in the summer of 2006 and comprises 3 Vestas V90 3.0 MW wind turbines.

Solar plant Fieva, Belgium

This project consists of over 40 rooftop solar plants which have all been constructed and are managed by Enfinity, our partner in this project. The plants are spread across Flanders. For the project a number of different solar panels and inverters have been used. Contracts and agreements are standardised whenever possible. Triodos Renewables Europe Fund provides the risk capital jointly with the development partner. The project has a total installed capacity of over 12.8 MWp.

Solar plant GFS Veurne, Belgium

www.greenfever.be/veurne

The solar plant is located in the municipality of Veurne, in Belgium and was developed by its owner Greenfever. Triodos Renewables Europe Fund provided a subordinated loan to GFS Veurne BVBA. The solar plant consists of 12,780 solar panels with a combined capacity of 2.6 MWp and became operational in July 2009.

Solar plant Puurs, Belgium

www.orka-power.com/nl/pv-projecten/22-pv-project-puurs

Triodos Renewables Europe Fund has provided a subordinated loan to a project in Puurs, a small town in Flanders. This is Triodos Renewables Europe Fund's first rooftop solar project and consists of solar panels with a total installed capacity of 2.3 MWp installed on the roof a logistics company.

Solar plant VRD, Belgium

www.orka-power.com/nl/pv-projecten

Triodos Renewables Europe Fund has provided a subordinated loan to the solar project consisting of 5 rooftops on the logistical centers of VRD in Flanders. The total installed capacity of this project is 3.1 MWp. This project is developed and owned by our local Belgium partner Orka NV. They also developed Solar plant Puurs.

Solar plant Aznalcollar, Spain

Triodos Renewables Europe Fund holds 50% of the shares in solar plant Aznalcollar, a 2.1 MWp solar PV project in Aznalcollar, Seville, Spain. The plant is located in a former mining pool that suffered a major ecologic disaster in 1998. After clean-up, the government decided to make this land available for the construction of several PV plants. This plant is one of these and has been operational since September 2008.

Solar plant El Carpio, Spain

Triodos Renewables Europe Fund is owner of Carpio Fotovoltaica solar plant, a 4.5 MWp solar PV project in Valladolid, in northern Spain. The plant is developed and constructed by BP Solar. High quality panels with good guaranteed performance conditions are being used for this project.

Solar plant Los Cabezos, Spain

Triodos Renewables Europe Fund owns 50% of the shares and has provided a profit participating loan to solar plant Los Cabezos, a 2.0 MWp solar PV project in southern Spain divided over twenty underlying operating solar companies. The plant has been operating since July 2008.

Solar plant Generación Solar Investment, Spain

Triodos Renewables Europe Fund holds 51% of the shares in Generación Solar Investment, a holding company for 3 solar PV projects, located in La Villa de Don Fadrique, Toledo, Spain, with a total installed capacity of 1.4 MWp. The project was developed in

3 phases and all the installations were connected to the Iberdrola electricity grid in September 2008.

Solar plant Pyranergy Solar, Spain

Triodos Renewables Europe Fund is 50% shareholder of Pyranergy Solar, a PV plant with a total capacity of up to 3.48 MWp in La Gineta, Albacete, Spain. The solar plant became operational in September 2008 and consists of Würz and Aleo pannels and Enertron inverters, manufactured by Gamesa.

Wind farm Midlum, Germany

Triodos Renewables Europe Fund owns a wind farm in the municipality of Midlum, in Lower Saxony. The wind farm has been operational since 1999 and consists of 70 Enercon E-40 turbines. The plant is situated in a good wind location in an open agricultural landscape and offers repowering opportunities.

Project ECH, Germany

www.ec-heidelberg.de

ECH is a project development company that focuses on developing, financing and operating various projects related to natural biomass pellet and briquette production facilities and energy contracting. Triodos Renewables Europe Fund has provided a subordinated loan to ECH in 2008 supporting ECH's activities. ECH is one of the leading pellet producers and biomass energy contractors in Germany.

Solar plant Helium, France

Solar Plant Helium is a ground-mounted solar park with an installed capacity of 5.4 MWp in the Languedoc Rousillion region. Triodos Renewables Europe Fund has taken up 49% of the shares of the park and has also provided a shareholder loan. The rest of the risk capital has been provided by the development partner and sponsor of the project.

Management and administration

Board of Directors

Pierre Aeby

Chairman

Chief Financial Officer and member of the Executive Board of Triodos Bank NV

Marilou van Golstein Brouwers

Managing Director of Triodos Investment Management BV

Patrick Goodman

Independent, Partner of Innpact S.à r.l.

Olivier Marquet

Managing Director of Triodos Bank NV (Belgian branch)

Garry Pieters

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Managing Director of Triodos Bank NV (German branch)

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Fund Manager

Anne Mieke van der Werf is Director Energy & Climate at Triodos Investment Management and currently Fund Manager a.i. Triodos Renewables Europe Fund. As Director Energy & Climate Anne Mieke has been closely involved with the expansion of the fund's investments in France, Belgium and the Netherlands. She is a CFA certified economist with considerable experience in business development, corporate and project financing and institutional investments. Before joining Triodos Investment Management in 2012, Anne Mieke worked on renewable energy project evaluations, divestments

of several companies, and financial and resource planning for both corporations and non-profit organizations. Anne Mieke started her career at ING Investment Management and holds a Master's degree in macro economics and monetary theory from Maastricht University.

Colophon

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