Triodos Microfinance Fund

Audited annual report 2015

Triodos Investment Management

Microfinance

is the provision of financial services to low-income people in developing countries. An inclusive financial sector, where the majority of people have access to financial services, provides a sustainable basis for balanced socio-economic development.

Triodos SICAV II - Triodos Microfinance Fund
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Triodos Microfinance 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 B.V. is the external alternative investment fund manager of Triodos SICAV II- Triodos Microfinance Fund. Triodos Investment Management B.V. is incorporated under the laws of the Netherlands and is a wholly-owned subsidiary of Triodos Bank N.V. Triodos Investment Management B.V. is supervised by the Dutch regulator, Autoriteit Financiële Markten.

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Key figures

(amounts in EUR)	2015	2014	2013	2012	2011
Total assets (end of reporting period)	305,021,074	230,360,421	164,425,869	123,871,372	94,748,578
Net assets (end of reporting period)	290,558,880	220,383,152	163,470,832	122,404,100	91,679,563
Income	17,371,442	11,646,611	7,964,260	7,049,159	4,844,089
Expenses	5,375,167	4,166,043	3,281,801	2,402,639	1,598,322
Net operating gain	11,996,275	7,480,568	4,682,459	4,646,520	3,245,767
Realised and unrealised gains/losses on investments, swaps and foreign exchange contracts	(3,598,013)	4,995,123	4,648,688	3,959,727	1,337,110
Net result	8,398,261	12,475,691	9,331,147	8,606,247	4,582,877
Ongoing charges per share class*					
B-cap (EUR)	2.67%	2.50%	2.72%	2.90%	2.83%
B-dis (EUR)	2.71%	2.57%	2.80%	2.85%	2.84%
I-cap (EUR)	1.97%	2.05%	2.05%	2.08%	2.10%
I-dis (EUR)	1.96%	2.04%	2.03%	2.08%	2.10%
R-cap (EUR)	2.73%	2.72%	2.84%	2.79%	2.83%
R-dis (EUR)	2.78%	2.70%	2.82%	2.80%	2.83%
Z-cap (EUR)***	2.16%	2.35%	2.29%	n.a.	n.a.
Z-dis (EUR)***	2.15%	2.34%	2.27%	n.a.	n.a.
KB-cap (GBP)****	2.67%	2.64%	2.67%	2.78%	2.81%
KB-dis (GBP)****	2.69%	2.63%	2.79%	2.87%	2.82%
KI-cap (GBP)****	2.00%	2.00%	2.03%	2.07%	2.05%
KI-dis (GBP)****	1.94%	2.02%	2.03%	2.08%	2.11%
KR-cap (GBP)****	2.63%	2.63%	2.75%	2.64%	2.82%
KR-dis (GBP)****	2.69%	2.64%	2.65%	2.77%	2.84%
KZ-cap (GBP)****	2.13%	2.26%	2.20%	n.a.	n.a.
KZ-dis (GBP)****	2.13%	2.27%	2.10%	n.a.	n.a.

Net asset value (NAV) per share**

(amounts in EUR or GBP)	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
B-cap (EUR)	34.09	33.24	31.57	29.66	27.50
B-dis (EUR)	28.28	28.98	28.35	27.47	26.35
I-cap (EUR)	35.79	34.64	32.68	30.49	28.06
I-dis (EUR)	28.50	29.18	28.57	27.68	26.54
R-cap (EUR)	34.00	33.16	31.49	29.58	27.43
R-dis (EUR)	28.31	29.01	28.39	27.51	26.39
Z-cap (EUR)***	27.75	26.91	25.45	n.a.	n.a.
Z-dis (EUR)***	26.18	26.77	25.45	n.a.	n.a.
KB-cap (GBP)****	26.33	25.63	24.33	22.74	21.07

Net asset value (NAV) per share** (continued)

(amounts in EUR or GBP)	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
KB-dis (GBP)****	22.71	23.06	22.53	21.79	20.65
KI-cap (GBP)****	n.a.	n.a.	26.12	24.27	22.31
KI-dis (GBP)****	21.91	22.24	21.71	20.96	19.71
KR-cap (GBP)****	n.a.	n.a.	24.38	22.82	21.12
KR-dis (GBP)****	21.90	22.25	21.72	20.97	19.76
KZ-cap (GBP)****	22.49	21.78	20.57	n.a.	n.a.
KZ-dis (GBP)****	21.15	21.48	20.54	n.a.	n.a.

Return based on NAV per share**

Share class	1-year return p.a.	3-year return p.a.	5-year return p.a.	Return p.a. since inception
B-cap (EUR)	2.6%	4.7%	5.5%	4.8%
B-dis (EUR)	2.6%	4.7%	5.5%	4.8%
I-cap (EUR)	3.3%	5.5%	6.2%	5.5%
I-dis (EUR)	3.3%	5.5%	6.2%	5.4%
R-cap (EUR)	2.5%	4.8%	5.5%	4.8%
R-dis (EUR)	2.6%	4.8%	5.5%	4.8%
Z-cap (EUR)***	3.1%	5.1%	5.7%	5.0%
Z-dis (EUR)***	3.1%	5.2%	5.7%	5.0%
KB-cap (GBP)****	2.7%	5.0%	5.6%	4.9%
KB-dis (GBP)****	2.9%	5.0%	5.5%	4.6%
KI-dis (GBP)****	3.5%	5.8%	6.3%	5.4%
KR-dis (GBP)****	2.9%	5.1%	5.6%	4.8%
KZ-cap (GBP)****	3.3%	5.4%	5.8%	5.1%
KZ-dis (GBP)****	3.2%	5.4%	5.7%	4.9%

Source: RBC Investor Services Bank S.A. and Triodos Investment Management B.V.

* 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 as published on December 31, 2015, i.e. the last price at which shares were traded in the reporting period.
*** The Z-share class has a limited history. Historic returns are based on the similar R-share class which has an identical investment policy.
**** The GPB-denominated share classes are hedged against the euro.

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Introduction

An estimated 2.0 billion people have no access to formal financial services. They are unable to open a bank account, negotiate a loan to start a business or buy insurance. Having access to these financial services has a fundamental impact on the lives of millions of people. It enables them to build their assets gradually, develop micro, small and medium-sized enterprises and improve their income earning capacity, create employment and provide a financial cushion for the future.

Inclusive finance fills this gap, offering services including savings, credit, payment facilities and insurance to low-income people. It offers a lifeline to millions of people, enabling them to better manage their daily life, cope with unexpected difficulties, pursue aspirations and plan for the future. While the services and products vary, microfinance institutions typically provide small loans to low-income people for short periods of time and increasingly offer savings, payment services and insurance products. Inclusive finance helps families and entrepreneurs to generate income, manage their cash flow, build assets and strengthen their resilience to setbacks. Research shows that over 70% of beneficiaries of financial inclusion are women, making it an important instrument in the empowerment of women.[1]

In the end, inclusive finance helps local economies to thrive by supporting enterprise and creating jobs. And its wider impact can go much further, leading to other than economic improvements, from clean water, food security and healthcare to education and the status of women in society.

Mission

Triodos Microfinance Fund, established in 2009 as a sub-fund of Triodos SICAV II, enables investors to actively contribute to the development of the microfinance sector into an inclusive financial sector in which the majority of people have access to financial services. The fund provides loans and equity to microfinance institutions and banks that have a sustainable approach toward providing financial services to those traditionally excluded. As an investor it wishes to contribute to the development of a sustainable financial sector in developing countries based on fair pricing, transparency, access for all and care for the earth.

Triodos Microfinance Fund is an initiative of Triodos Investment Management, a wholly-owned subsidiary of Triodos Bank. Triodos Investment Management started investing in developing countries in 1994 because it recognised that sustainable development, and addressing poverty issues in particular, was a global issue. Since 1994, assets under management in the microfinance sector of Triodos Investment Management have increased to almost EUR 750 million, making Triodos Investment Management one of the leading investors in the industry.

[1] Source: EY: Empowering women: uncovering financial inclusion barriers, 2015

Report of the Board of Directors

Triodos Microfinance Fund's net assets grew by 31.8% to EUR 290.6 million at the end of 2015 (year-end 2014: EUR 220.4 million), while its investment portfolio reached a value of EUR 235.3 million (77.1% of the fund's total assets). The fund increased the number of its investments to 54 MFIs, eight SME banks, four microfinance holding companies and one investment in a fund, covering 35 countries across Latin America, Asia, Africa, the Middle East and North Africa and Eastern Europe. The financial institutions in the fund's portfolio reached 13 million loan clients and served 8.5 million savers. In 2015, the return of the euro-denominated institutional share class was 3.3% and the three-year average annual return was 5.5%.

Market developments

Commodities and currencies

2015 was a challenging year. The general economic picture was marked by two important trends: plummeting commodity prices (including oil) and tightening financial conditions. Overall, global growth declined in 2015, reflecting a further slowdown in emerging markets and a weaker recovery in advanced economies[2].

Whereas the US economy continued to grow and the European economy only slowly picked up steam, China, Russia, Brazil and many other emerging economies suffered. During the summer, financial market volatility increased in the wake of a depreciation of the Chinese yuan. This resulted in increased risk aversion, a sharp correction in equity prices worldwide and weakening currencies for many emerging economies. The appreciation of the US dollar, resulting from the ongoing economic growth and the rate hike by the Federal Reserve (expected in September, actual in December), amongst others, contributed to declining capital flows to emerging countries and thus tighter financial conditions.

Adverse developments in Central Asia

In Central Asia, the oil-exporting countries and countries with economies that have close ties to the slowing Russian economy were severely hit. The Azerbaijan manat, for example, devalued by 43.6% against the euro in 2015, whereas the Kazakhstani tenge reached a record low in the wake of the devaluation of the Russian ruble. As a result, many countries in this region face an economic slowdown. An additional problem for most countries in the region is the decrease in remittances from migrant workers in Russia to their families at home.

Against the backdrop of a recession in Central Asia, low oil prices and subsequent strong volatility on the foreign exchange markets, the fund nevertheless continued to grow its assets and was able to enter promising new markets in Bolivia, China, Myanmar, Panama and South Africa.

Weaker growth outlook

Given the developments described earlier, the downside risks to the outlook have increased, particularly for emerging and developing economies. Even if the growth prospects vary across countries and regions, the outlook for developing countries is generally weakening, with growth projected to decline for the fifth year in a row. This weaker outlook is due to a combination of factors: the slowdown in China as a result of that country's transformation into a more services-oriented economy; the adjustment in the aftermath of the credit and investment booms of recent years; the weaker outlook for exporters of commodities, including those in Latin America, following the enormous decline in prices (including oil) and, lastly, the geopolitical tensions and domestic conflicts in a number of countries. In these circumstances, Triodos Microfinance Fund expects to direct more capital towards emerging markets that demonstrate greater resilience to the impact of higher interest rates, have strongly developing domestic economies and offer above-average market potential for financial inclusion, particularly in Asia and Africa.

[2] Source: IMF, World Economic Outlook, October 2015.

Financial inclusion market

The provision of a broader range of financial services is the key to financial inclusion. However, this should come with an enabling environment shaped by a set of policies, regulations, and institutional structures. The most recent EIU Microscope Index[3], based on 55 countries, shows that in 2015 the environment for financial inclusion was moving in the right direction, albeit slowly, with improvements that are not uniform from country to country. Overall, efforts to increase financial inclusion have been stepped up, yet some essential elements, such as consumer protection and financial literacy, are still insufficiently addressed.

From a macro-economic perspective the outlook may not be entirely positive; from a structural perspective; however, the potential for growth across most microfinance markets is considerable, as financial exclusion remains widespread. The rate of financial inclusion has generally grown rapidly over the past few years, but the gap between developed and emerging economies remains large.

In the past, markets in Latin America and Central Asia were the drivers for the microfinance industry. For different reasons, they started to slow down in 2015 and are expected to continue doing so in 2016. After years of strong expansion, South American markets are maturing, which is limiting growth opportunities in the traditional microfinance segment. In addition, lending growth may slow down in the wake of the macroeconomic adjustment that commodity exporters are going through due to the decline in prices.

The trend in Central American economies is different, however, as most are benefitting from the current fall in oil prices because they are net energy importers. In addition, the recovery of the US economy is providing a strong boost via increased trade and remittances.

Prospects are stronger for markets in Asia Pacific and Sub-Saharan Africa, as they are expected to

31.8%

growth of the
net assets
in 2015

register above-average rates of growth this year. Growth fundamentals in the main financial inclusion markets in Asia Pacific are relatively solid, with the exception of Mongolia, which will be affected by the end of the commodity super cycle and the downturn in China. Microfinance markets in India and Cambodia are expected to expand at their current pace; India in particular may benefit from higher growth potential as well as a more favourable regulatory environment. Sub-Saharan microfinance markets are expected to continue expanding as the penetration remains relatively low. The expansion of technology-driven solutions will further support the development of the microfinance markets in the region, especially in Eastern Africa.

Altogether, the microfinance sector is expected to grow by 10-15% in 2016[4], which is only slightly lower than in previous years.

Decisive trends – technological development and regulatory reform

Sector players see mobile money, branchless banking and a broader spectrum of services as the most important trends within the microfinance sector. Clients' needs are evolving rapidly and with them the services that MFIs need to offer. In addition to access to credit, MFI clients want to be able to save, obtain insurance or transfer money. New technologies will strongly contribute to the development of products that provide this broader spectrum of services.

[3] Source: Global Microscope 2015 by The Economist Intelligence Unit, published in December 2015.

[4] Source: responsAbility - Microfinance Market Outlook 2016

In addition to technological advances, sound regulation is a key enabler for the development of a strong and diverse financial sector. The example of India illustrates that a new and improved regulatory framework allows MFIs to become specialised banks, allowing them to expand the services they can offer. Yet there are also countries where regulation, often driven by populist or misguided motives, has the opposite effect, distorting incentives and damaging the business environment. Central Asia – and especially Azerbaijan – is a clear example of where regulatory interventions can go wrong.

Strategic focus on SME banks

A strong SME sector is essential for the economic development of countries where the average income per capita is low. At the beginning of 2015, Triodos Microfinance Fund implemented a pro-active strategy to fund banks that focus specifically on this important sector. During the year, the fund added five new SME banks to its portfolio. Some of these institutions, such as ACLEDA Bank in Cambodia, are 'traditional' MFIs that have made the transformation into a regulated bank and are gradually starting to count SMEs among their clients. Other institutions include local banks that have made SME funding one of their spearheads, such as Ipak Yuli Bank in Uzbekistan. In addition, Triodos Microfinance Fund will continue to focus on financial institutions that mainly target micro-entrepreneurs.

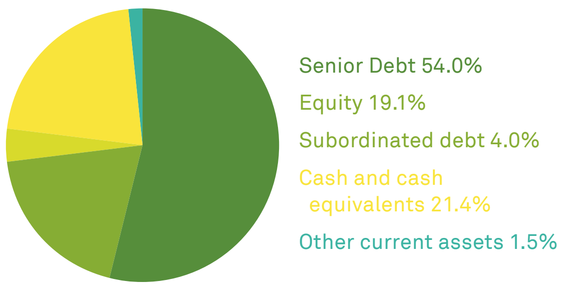
Investments

Triodos Microfinance Fund's investment portfolio grew by 22.0% to EUR 235.3 million (2014: EUR 192.9 million), which represents 77.1% of the fund's total assets of EUR 305.0 million (2014: EUR 230.4 million). The fund made 41 disbursements (senior debt, subordinated debt and equity) in 2015 (2014: 46). The geographical spread was further diversified through the addition of five new countries: Bolivia, China, Myanmar, Panama and South Africa.

Fund data, December 31, 2015

Total assets	EUR 305,021,074
Net assets	EUR 290,558,880
Portfolio value	EUR 235,254,901
Number of investment funds	1
Number of SME Banks	8
Number of MFIs	54
Number of microfinance holdings	4
Number of loans	96
Number of subordinated loans	9
Number of equity investments	11
Number of countries	35

Asset allocation (% of fund's total assets), December 31, 2015



Types of institutions (% of fund's total assets), December 31, 2015

MFIs	60.8%
SME Banks	11.1%
Microfinance holdings	3.7%
Investment funds	1.5%
Total	**77.1%**

Five largest outstanding positions (% of fund's total assets), December 31, 2015

Institution	Country	Percentage
ACLEDA Bank	Cambodia	10.4%
Banco Pichincha	Ecuador	3.8%
Credo	Georgia	3.5%
BancoSol	Bolivia	2.7%
Visión Banco	Paraguay	2.2%

Source: Triodos Investment Management B.V.

New debt investments

The fund added nine new debt investments in MFIs and SME banks to the portfolio in 2015.

Janalakshmi Financial Services Private Limited (JFS – India) is one of the three largest MFIs in India, focusing primarily on the urban poor. JFS is a welcome addition to the portfolio, diversifying the fund's Indian holdings in terms of regional outreach (northern, central, and southern India; urban, semi-urban, and rural) and target market reached (micro, small, and medium-sized enterprises - MSMEs).

While Janalakshmi primarily lends through group loans, financing SMEs remains a largely untapped market in India. Many SMEs have become too large to receive traditional group loans and still cannot conveniently access credit provided by mainstream financial institutions. JFS intends to use half of the loan provided by Triodos Microfinance Fund to expand its loan offering to SMEs. Its innovations in terms of technology also represent a growing opportunity. By using technology as the foundation of its services, via cloud computing, smart cards and biometric devices, JFS has also become a leader in technology and innovation for financial inclusion in India.

Promerica Group (Panama) holds equity stakes in nine SME banks in developing countries in Central America, in the Caribbean and in Ecuador. The company currently employs over 10,000 people and serves over 1.3 million clients. Promerica operates on the basis of the notion that local context and local people have the greatest impact and that SME lending is necessary as a catalyst for the development of small businesses and the local economy. The loan provided by Triodos Microfinance Fund will be used to expand the investments in the smaller institutions in the portfolio, in order to broaden their scope in the important SME segment.

FINCA DRC (DR Congo) transformed into a regulated financial institution in early 2009. It is the largest African affiliate in the FINCA network. FINCA DRC has the broadest outreach of all MFIs in the country and is predominantly active in urban areas. It serves 120,000 loan clients, of whom 56% are women. The loan from Triodos Microfinance Fund will be used to strengthen the company's commitment to developing its product offering and increasing its outreach, while staying true to its social mission.

Fortis Microfinance Bank (Nigeria) is a regulated microfinance bank in Nigeria, with 14 branches in Abuja, the country's capital city. Fortis demonstrates a dedicated commitment to social performance, serving over 56,000 loan clients, of whom 91% are women and 71% are from rural areas. The bank also offers agricultural finance products and is the only microfinance bank to have been granted a mobile payment licence by the Central Bank of Nigeria.

Khan Bank (Mongolia) is one of the largest banks in Mongolia, with a market share of approximately 25%. It provides banking services to an estimated 70% of Mongolian households. Currently, the bank serves over 370,000 loan clients and 820,000 savings clients, who are reached through the bank's extensive network of 535 branches and sub-branches. This network enables Khan Bank to provide its services even in the most remote areas of Mongolia. The bank has a leading position in the MSME sector, being one of the largest financiers in the country with 46% of its loan portfolio consisting of MSMEs.

Small Enterprise Foundation (SEF - South Africa) was founded in 1992 and is based in the Limpopo province in the north-east of South Africa. SEF is unique in that it provides loans for productive purposes to the poorest women in the region's villages and countryside. In 2008, it expanded its activities to the Eastern Cape Province, one of the poorest provinces of South Africa. The MFI actively measures its effects and penetration and cooperates with such organisations as the Rural AIDS and Development Action research Programme (RADAR). The Foundation serves close to 130,000 rural clients, of whom 100% are women.

MicroCred China (China) operates MicroCred Nanchong and MicroCred Sichuan, and aims to increase the provision of financial services to MSMEs in China, particularly in the Nanchong and Sichuan regions. Both companies provide the majority of their loans to companies in the trade and service sectors. MicroCred Nanchong is the more mature organisation, serving more than 14,000 clients through its twelve branches, while MicroCred Sichuan serves around 4,000 clients through nine branches. Although small, MicroCred Nanchong and MicroCred Sichuan have managed to establish a positive reputation in the market and with the regulators.

Alliance Finance Company (Sri Lanka) offers leasing, loan and savings products to clients in various sectors, such as agriculture, farming, fishing, manufacturing and trading. In terms of products, 70% of the loan portfolio consists of leasing to SMEs and 10% of microfinance loans, while the rest is spread across hire-purchase, pawning and other loans. The company demonstrates its commitment to supporting financial inclusion and social and environmental sustainability in practical measures. Alliance Finance Company set up a microfinance division two years ago, focusing on providing microfinance services to women. Currently, the company is working towards SMART Certification©[5] and is developing green leasing products, such as leasing low carbon emission-gas toolkits for tuk-tuks (three-wheeled taxi vehicles) and electric vehicles with rooftop solar chargers.

Ipak Yuli Bank (Uzbekistan) is a medium-sized bank that focuses on financing MSMEs and is one of the two leading private commercial banks in Uzbekistan. The bank offers a wide range of banking services, including but not limited to microcredit, SME financing, savings accounts, mobile banking, and money transfers through its 13 branches. The bank serves over 9,000 clients, mainly in the manufacturing, trade and service sectors.

Equity

The equity portfolio increased by 42.0%, from EUR 41.2 million in 2014 to EUR 58.5 million in 2015, representing 19.2% of the total assets of the fund on December 31, 2015 (per year-end 2014: 17.9%). The equity portfolio performed reasonably well in 2015. Strong currency devaluations in Eastern European and Central Asian countries affected the performance of the fund, especially through the equity holdings in Kazakhstan, Kyrgyzstan and Tajikistan. Because of the devaluation of the manat and measures announced by the Azerbaijani central bank during the year, the fund marked down two microfinance holding companies that have a substantial exposure in Azerbaijan (FINCA Microfinance Holding and Access Microfinance Holding). The fund added three new equity investments to its portfolio in 2015.

New equity investments

Dawn Microfinance (Myanmar) In order to provide a catalyst for the development of the microfinance sector in Myanmar based on sustainable principles, Triodos Microfinance Fund (together with Triodos Fair Share Fund and Triodos Sustainable Finance Foundation), FMO and Accion joined forces with the aim of helping Dawn Microfinance develop into a leading, for-profit MFI. Triodos Microfinance Fund and its co-investors own 100% of Dawn Microfinance. Triodos Microfinance Fund holds a stake of 7.5%. Although Dawn Microfinance

[5] Smart Certification© provides an independent, objective seal of confidence that a financial institution is doing everything it can to treat its clients well.

currently only provides group loans and is still in the start-up phase, the long-term objective is to offer a wider range of financial products in addition to group loans, such as individual loans, SME loans and savings products. Going forward, the key focus will be on expanding the product portfolio and prioritising client education and protection. A senior representative of Triodos Investment Management has a seat on the board of directors.

Kompanion (Kyrgyzstan) is an MFI founded to support local communities in Kyrgyzstan in their development. The company offers financial products and services to entrepreneurs and individuals across the country. Triodos Microfinance Fund holds an 8.75% equity stake. With 157 offices and mini-offices operating in all regions of Kyrgyzstan, Kompanion is currently the largest MFI in Kyrgyzstan. Its main products are solidarity group loans and secured small business loans. Among the top five performers in terms of social performance management, Kompanion serves as an example in the fund's portfolio. The institution has a strong rural focus, as more than 50% of its loan portfolio consists of loans to the agricultural sector, and combines its credit services with expert advice from agronomists and other industry professionals.

The equity investment was used to transform Kompanion into a fully-licensed microfinance bank, allowing the institution to expand the financial services that it provides to its clients, primarily those that have no access to formal banking services. A senior representative of Triodos Investment Management has a seat on the board of directors.

BancoSol (Bolivia) is one of the largest Bolivian MFIs. It began its operations as an NGO in 1986 and in 1992 became the first Bolivian commercial bank to focus on microfinance. Triodos Microfinance Fund holds a 6.0% equity stake. Through the years, the bank has staged a strong performance in the market and has been able to gain a solid reputation through its sound financial performance and outstanding responsible banking practices. The bank offers integrated financial services that comprise loan products, savings products, payment services and remittances through its 99 branches, 95 points of sales and three mobile branches in nine cities in Bolivia, serving more than 250,000 loan clients and more than 730,000 savings clients.
A quantitative description of the MFIs in the portfolio can be found on page 54 to 57. A short description of all MFIs can also be found under the header 'Know where your money goes' on www.triodos.com.

Results

Financial results

The 2015 net result of Triodos Microfinance Fund amounts to EUR 8.4 million (2014: EUR 12.5 million). The fund's interest income from loan investments increased by 49.6% to EUR 15.6 million (2014: EUR 10.4 million), which is in line with the growth rate of the fund and its increased exposure to loans in local currencies, for which interest rates are generally higher. In addition, the fund received dividend income from equity investments, amounting to EUR 1.5 million (2014: EUR 0.8 million).

The fund realised a net foreign exchange gain of EUR 0.2 million on loans maturing during the year. During the same period, the fund suffered a net loss of EUR 12.6 million on foreign exchange contracts. These results reflect the exponential increase in hedging costs for both US dollar swaps and hedging of local currency loans during 2015, reflecting the extreme volatility of the foreign exchange markets. The net change in value was EUR 8.7 million for both debt and equity investments (2014: EUR 13.6 million). This amount includes EUR 1.8 million in provisions on loans in Azerbaijan and Bosnia Herzegovina and a EUR 5.6 million increase in unrealised foreign exchange gains.

Total operating expenses in 2015 came to EUR 5.4 million (2014: EUR 4.2 million). The majority of these expenses relates to management, distribution and service fees, which rose to EUR 4.9 million (2014: EUR 3.6 million) and are in line with the growth of the net assets of the fund.



DAWN MICROFINANCE - MYANMAR

Dawn Microfinance is one of the few microfinance institutions active in Myanmar. Its long-term intention is to become a key provider to low income households, offering a wider range of financial products fuelled by the strong belief that financial inclusion will play a major role in the upcoming decade to further develop Myanmar's economy at a grassroots level.

At year-end 2015 Dawn Microfinance serves over 50,000 clients. One of them is Daw Yu Yu Htwe, who has been a client of Dawn Microfinance since 2008. She has a wood carving business and currently employs ten full-time staff and five part-time staff who pack and deliver finished products. She buys raw sandalwood from a nursery in central Myanmar, carves the sculptures using hand tools, and then polishes each piece using candle wax and a buffing machine that she purchased with the proceeds of her loans from Dawn Microfinance.

Provisions

The 34% oil price related currency devaluation of the Azerbaijani manat against the US dollar in February 2015 brought the economic boom in Azerbaijan to an abrupt end. As a sizeable portion of the MFI's loan portfolio is denominated in US dollars, the repayment capacity of microfinance clients decreased significantly. In general, the portfolio quality and capital adequacy of many financial institutions in Azerbaijan came under significant pressure. In July 2015, the central bank introduced interest rate caps on credit and deposits. As a result, the business models of non-bank institutions came under considerable pressure. The central bank's decision in December 2015 to move to a floating rate regime caused the manat to lose another 48% of its value against the US dollar. Consequently, Triodos Microfinance Fund has taken additional provisions on loans outstanding to two MFIs in Azerbaijan: Azercredit and FINCA Azerbaijan.

The provision on Prizma in Bosnia Herzegovina was raised from 90% to 95% in December 2015, following disappointing debt collection levels at the end of 2015. Total provisions on loans outstanding amount to 0.5% of the fund's net assets.

Return

The return of the EUR-denominated institutional share class amounted to 3.3% (2014: 6.0%). The fund's return remained below the target return of 5-8% due to the devaluations of emerging market currencies and increasing hedging costs. In addition, the return was negatively affected by the provisions the fund has taken on part of its loan portfolio. The liquidity ratio averaged 15% throughout the year, which is not too high but also leaves room for new

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.	Return p.a. since inception
B-cap (EUR)	2.6%	4.7%	5.5%	4.8%
B-dis (EUR)	2.6%	4.7%	5.5%	4.8%
I-cap (EUR)	3.3%	5.5%	6.2%	5.5%
I-dis (EUR)	3.3%	5.5%	6.2%	5.4%
R-cap (EUR)	2.5%	4.8%	5.5%	4.8%
R-dis (EUR)	2.6%	4.8%	5.5%	4.8%
Z-cap (EUR)**	3.1%	5.1%	5.7%	5.0%
Z-dis (EUR)**	3.1%	5.2%	5.7%	5.0%
KB-cap (GBP)***	2.7%	5.0%	5.6%	4.9%
KB-dis (GBP)***	2.9%	5.0%	5.5%	4.6%
KI-dis (GBP)***	3.5%	5.8%	6.3%	5.4%
KR-dis (GBP)***	2.9%	5.1%	5.6%	4.8%
KZ-cap (GBP)***	3.3%	5.4%	5.8%	5.1%
KZ-dis (GBP)***	3.2%	5.4%	5.7%	4.9%

* NAV per share is based on share prices as published on December 31, 2015, i.e. the last price at which shares were traded in the reporting period.
**The Z-share class has a limited history. Historic returns are based on the similar R-share class, which has an identical investment policy.
*** The GPB-denominated share classes are hedged against the euro.
Source: RBC Investor Services Bank S.A. and Triodos Investment Management B.V.

investments. Differences in performance between the share classes are mainly attributable to the different cost bases, as explained below in the section on Costs.

Liquidity

Triodos Microfinance Fund aims to retain a minimum of 10% of its net assets in cash or cash equivalents, in order to facilitate redemptions in the fund. The fund's liquidity ratio at year-end amounted to 22.5%[6] of the net assets. The cash position is relatively high as a result of large inflows into the fund in the fourth quarter of 2015. The excess cash will be deployed in the first months of 2016.

Costs

The largest item in the cost structure of Triodos Microfinance Fund is the management fee paid to the alternative investment fund manager ('investment manager'), Triodos Investment Management. Triodos Investment Management uses this fee primarily to cover staff costs, including travel expenses incurred in connection with providing new finance facilities and managing existing finance facilities. This is generally quite an intensive process, especially the management of the fund's equity investments, which requires frequent trips to the countries where investments are made. The lead times for first investments are relatively high because of the thorough due diligence analysis that is required.

The ongoing charges for Triodos Microfinance Fund, which include the management fee, ranged from 1.94% to 2.00% for the institutional share classes and from 2.13% to 2.78% for the other share classes. More detailed information on management fees and ongoing charges can be found on pages 42 and 49.

[6] Investment restrictions are presented against total assets. The liquidity ratio is presented against net assets.

Sustainability as a core value

Triodos Microfinance Fund strives to contribute to the development of an inclusive sustainable financial sector in developing countries. To this end, it invests in financial institutions that demonstrate a sustainable and responsible approach to providing financial services to the underserved population, while also incorporating practices that demonstrate care for the earth.

The fund applies a triple-bottom line approach in its investment policy, aiming for a well-balanced mix between people, planet, and prosperity, translated into practices, tools and indicators that constitute the fund's Sustainability Management System. The Sustainability Management System is used throughout the investment process, from the initial screening to the due diligence analysis, investment decision making, monitoring and reporting.

Sustainability Banking Assessment

Triodos Microfinance Fund uses the Sustainability Banking Assessment (SBA) scorecard to assess the sustainability performance of a financial institution. The second version of this tool was launched in 2015 to better capture the changing market circumstances and different financial institutions that the fund invests in. SBA 2.0 consists of 25 questions, covering environmental, social (management and staff, product range, responsible finance) and governance issues, and takes into account relevant industry initiatives, such as the Principles for Investors in Inclusive Finance[7], the Universal Standards for Social Performance Management[8],

[7] The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. For more information please visit: http://www.unpri.org/.

[8] The Universal Standard for Social Performance Management is a comprehensive manual of best practices to help financial service providers put clients at the centre of all strategic and operational decisions and align their policies and procedures with responsible business practices.

and the SMART Campaign's Client Protection Principles©[9].

The addition of JFS in India, which serves 3.2 million female borrowers, has significantly contributed to the increase in the number of loan clients reached and the proportion of female loan clients. Furthermore, some of the new institutions in the portfolio have a greater outreach to underserved people living in urban and semi-urban areas, such as BancoSol, Finca DRC, Ipak Yuli Bank, and JFS, thus decreasing the proportion of clients in rural areas.

Fair pricing and transparency

To ensure fair pricing by the MFIs, the fund monitors their pricing levels, using the annual percentage rate (APR) as an indicator. The fund acknowledges that interest rates vary across countries, and across different regions within countries, influenced by the specific nature of markets, macroeconomic conditions, and institutional landscapes. The investees in Africa and the Middle East, for instance, are generally facing higher operating costs relative to the loan sizes. These require them to charge higher rates in order to cover the costs, which comes on top of the already high inflation rate in some countries. As an investor, the fund encourages MFIs to become more efficient, as lower operational costs allow them to reduce the rates that they charge their end-clients. As of the end of December 2015, the median APR of Triodos Microfinance Fund's investees is 33%.

APRs of MFIs per region in the portfolio of Triodos Microfinance Fund

Africa & Middle East	65%
Eastern Europe & Central Asia	33%
Latin America	33%
East Asia & Pacific	30%
South Asia	27%

Source: Triodos Investment Management B.V.

Given the nature of the activities that MFIs engage in, it is not uncommon for them to serve clients that have limited financial literacy. The fund always encourages its investees to offer their end clients financial literacy training programmes. In 2015, 84% of the fund's investees offered regular or ad-hoc financial literacy training programmes to their clients.

Access to financial services

In recent decades, the financially underserved population was limited to low-income groups, inhabitants of rural areas and women. SMEs can now also be added to these groups. SMEs are generally considered too small for financing from local banks, but too large for MFIs. As of the end of December 2015, 30% of the aggregated loan portfolio of the fund's investees is allocated to financing SMEs.

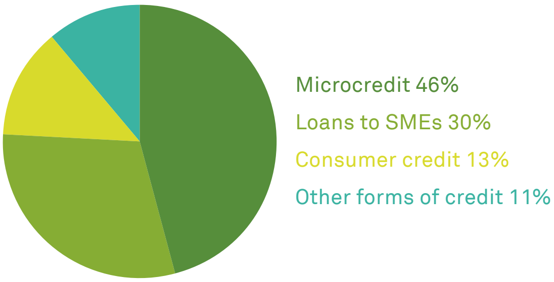
[9] The Smart Campaign is a global effort to unite microfinance leaders around a common goal: ensuring that clients remain the driving force of the industry. For more information please visit: http://www.smartcampaign.org

Core indicators MFIs in the portfolio of Triodos Microfinance Fund

	2015	2014
Total number of loan clients reached by MFIs in the portfolio	13,006,123	8,186,334
Total number of savings clients reached by MFIs in the portfolio	8,469,930	6,384,915
Average loan (EUR)	1,193	1,390
Percentage of female loan clients	79%	70%
Percentage of clients in rural areas	38%	47%
Number of people employed by MFIs in the portfolio	106,621	86,034

Source: Triodos Investment Management B.V.

Aggregated portfolio allocation per market segment



Source: Triodos Investment Management B.V.

38%

of clients
in rural areas

Financing agriculture

Financial inclusion and a sustainable economic landscape mutually reinforce each other. Access to finance should allow the end clients to procure the products and services that they need and also be financially independent. In developing countries, the agriculture sector and SMEs play a big role in creating job opportunities, contributing to local taxes, and stimulating local creativity.

Volatility in temperatures and raw materials prices and unanticipated natural disasters increase the risk that financing the agriculture sector entails, thus preventing many farmers from obtaining adequate financial products and services for their farming activities. As of the end of December 2015, 16% of the aggregated loan portfolio of the fund's investees is allocated to financing agricultural activities.

The fund will continue to encourage its investees to finance the sector, given the sector's important contribution to achieving a robust and sustainable economic landscape.

Diversity and modernisation

Financial inclusion has long been associated with providing access to basic financial services only. Changing markets and institutional landscapes, however, in combination with technological developments, have paved the way for the development of more financial products and services that can complement and modernise the existing financial products being offered. Technology in particular has facilitated financial inclusion through mobile banking as an alternative distribution channel.

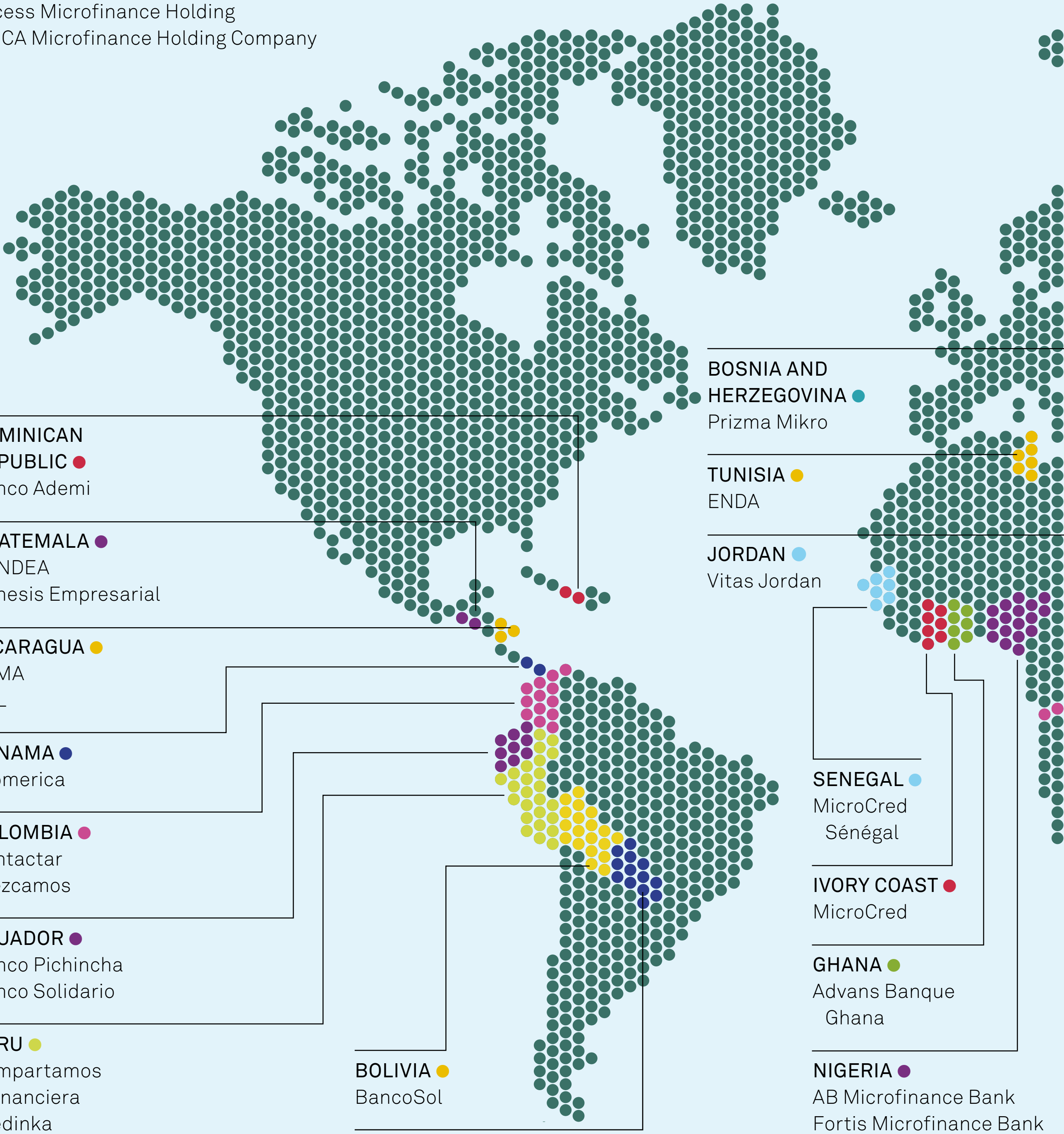
% of MFIs offering other financial products and services

Source: Triodos Investment Management B.V.

Care for community and earth

The many negative effects of unsustainable business practices on the environment have further emphasised the importance of greater awareness of this issue. MFIs have the opportunity to raise environmental awareness amongst themselves and their clients and to propagate ideas and practices with regard to responsible use of financial products and services.

Microfinance portfolio Triodos Microfinance Fund
31 December 2015



GLOBAL
Access Microfinance Holding
FINCA Microfinance Holding Company

DOMINICAN REPUBLIC
Banco Ademi

GUATEMALA
FUNDEA
Génesis Empresarial

NICARAGUA
FAMA
FDL

PANAMA
Promerica

COLOMBIA
Contactar
Crezcamos

ECUADOR
Banco Pichincha
Banco Solidario

PERU
Compartamos Financiera
Credinka
Edpyme Raíz
ProEmpresa

BOLIVIA
BancoSol

PARAGUAY
Banco Itapua
Visión Banco

BOSNIA AND HERZEGOVINA
Prizma Mikro

TUNISIA
ENDA

JORDAN
Vitas Jordan

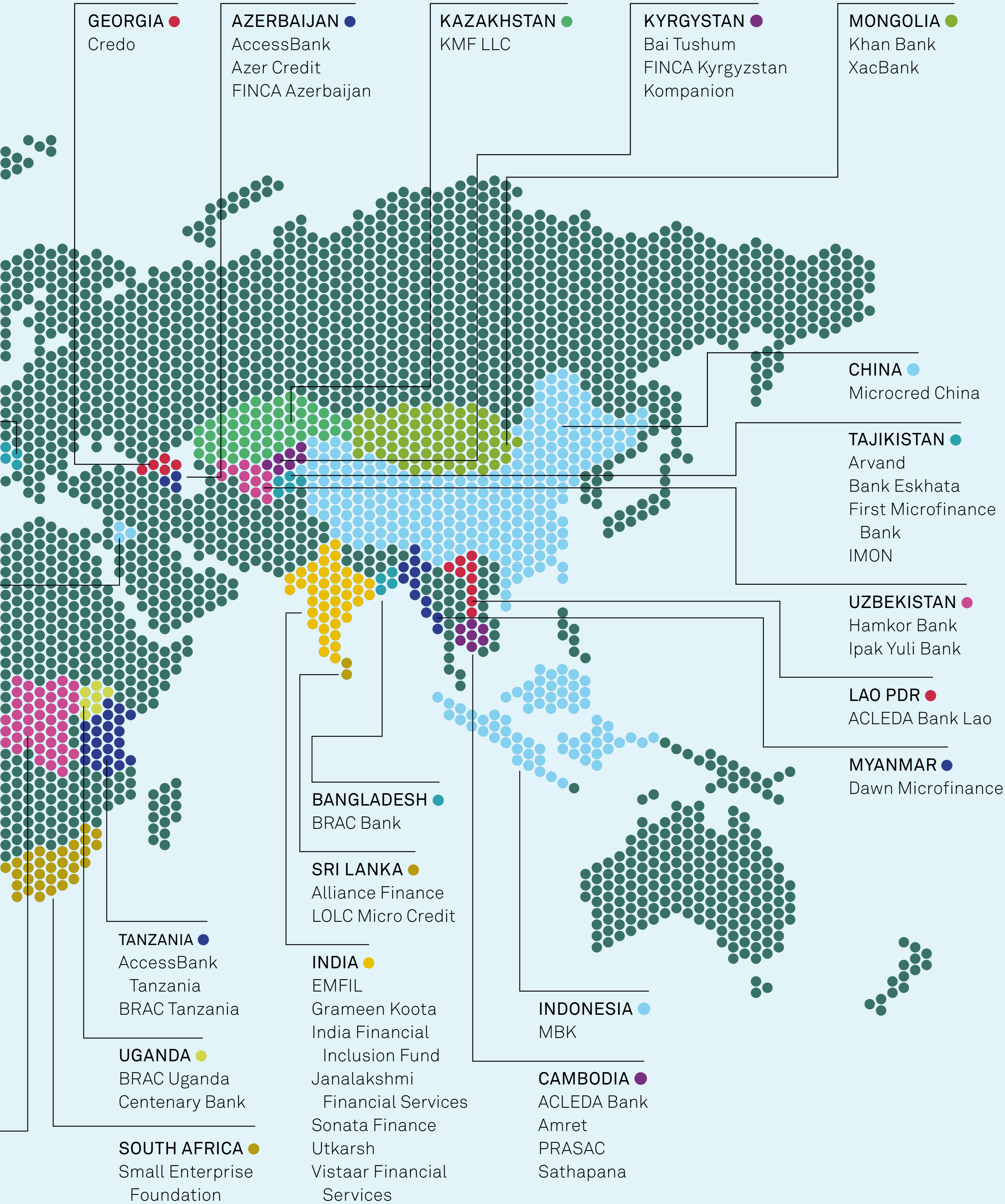
SENEGAL
MicroCred Sénégal

IVORY COAST
MicroCred

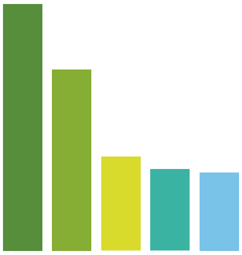
GHANA
Advans Banque Ghana

NIGERIA
AB Microfinance Bank
Fortis Microfinance Bank

CONGO
Finca DRC


GEORGIA
Credo
AZERBAIJAN
AccessBank
Azer Credit
FINCA Azerbaijan
KAZAKHSTAN
KMF LLC
KYRGYSTAN
Bai Tushum
FINCA Kyrgyzstan
Kompanion
MONGOLIA
Khan Bank
XacBank
CHINA
Microcred China
TAJIKISTAN
Arvand
Bank Eskhata
First Microfinance Bank
IMON
UZBEKISTAN
Hamkor Bank
Ipak Yuli Bank
LAO PDR
ACLEDA Bank Lao
MYANMAR
Dawn Microfinance
BANGLADESH
BRAC Bank
SRI LANKA
Alliance Finance
LOLC Micro Credit
TANZANIA
AccessBank Tanzania
BRAC Tanzania
UGANDA
BRAC Uganda
Centenary Bank
SOUTH AFRICA
Small Enterprise Foundation
INDIA
EMFIL
Grameen Koota
India Financial Inclusion Fund
Janalakshmi Financial Services
Sonata Finance
Utkarsh
Vistaar Financial Services
INDONESIA
MBK
CAMBODIA
ACLEDA Bank
Amret
PRASAC
Sathapana

% of MFIs in the portfolio focussing on the environment



* List of exclusion criteria used by MFIs when deciding whether or not to provide loans to customers.
Source: Triodos Investment Management B.V.

Risks

Triodos Microfinance Fund has a relatively high risk profile, mainly due to its sector-specific focus. The main risks that have been identified are described in detail in the sub-fund's particular of the prospectus of Triodos SICAV II. Some of the risks are highlighted below.

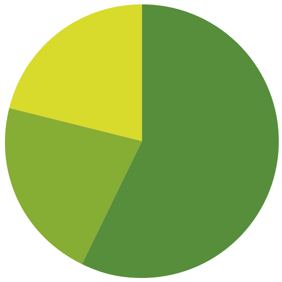
Currency risk

The reference currency for Triodos Microfinance Fund is the euro, whereas investments may be denominated either in euros or in foreign currencies. The fund may invest up to 90% of its total assets in non-euro denominated assets. Currency exchange rates may fluctuate significantly over time, which may, among other things, cause the fund's total assets to fluctuate as well. Currency exposures in the loan portfolio are mostly hedged, whereas currency exposures due to the equity holdings are mainly unhedged. The currency risk is mitigated by imposing an upper limit of 60% of the total assets of the fund for investments in unhedged local currencies. In 2015, the global foreign exchange markets continued to be very volatile, resulting in higher hedging costs for the fund.

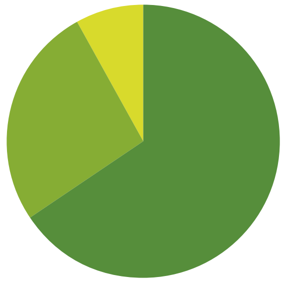
Liquidity risk

As Triodos Microfinance Fund is a semi open-end fund, it can in theory face large redemptions on each

Hedged and unhedged positions (% of fund's total assets), December 31, 2015



Allocation unhedged positions (% of unhedged positions), December 31, 2015



Exposure by currency (% of fund's total assets), December 31, 2015

USD	47.2%	
Hedged		*96.2%*
Unhedged		*3.8%*
EUR	21.8%	
Local currency	30.3%	
Hedged		*37.1%*
Unhedged		*62.9%*

Source: Triodos Investment Management B.V.

valuation day. If this should occur, investments need to be sold quickly in order to comply with the repayment obligation towards the redeeming shareholders. In general, the fund invests in non-listed assets that may take time to be converted into cash. The fund may therefore decide to temporarily close the fund for redemptions or subscriptions by means of suspension or restriction of purchase and issue of shares of the fund. The fund performs quarterly stress tests to assess this risk. To mitigate this risk, the fund aims to retain 10% of its nets assets in cash or cash equivalents or arrange sufficient other guarantees. On December 31, 2015, the fund held 22.5%[10]of its net assets in cash and cash equivalents. On a quarterly basis the fund receives repayments of loans maturing that represent on average 6.2% of the fund's total assets thus ensuring liquidity in the fund. In addition, the fund receives interest and dividend income on a quarterly basis.

Country risk

Triodos Microfinance Fund invests in countries that may be subject to substantial political risks, countries that might be in an economic recession, with perhaps high and rapidly fluctuating inflation, countries that often have a poorly developed legal system and countries where the standards for financial auditing and reporting may not always be in line with internationally accepted standards.
To limit the country and political risk, Triodos Microfinance Fund has set the upper limit for securities and financing instruments issued by or provided to entities that operate in the same country at 20% of its total assets. The country with the highest exposure is currently Cambodia, where 12.7% of the fund's total assets per year-end are invested. This is slightly lower than in 2014, when Cambodia had the largest single country exposure with 13.0%. Country risks are mitigated by diversifying the geographical exposure across a larger number of countries. In 2015, Triodos Microfinance Fund added five new countries to the portfolio. The fund continued to notice a general increase in country risks in Azerbaijan and former Soviet republics in Central Asia due to the deterioration of the macroeconomic situation brought about by low oil prices and the contraction of the Russian economy. The fund is closely monitoring the situation and has adjusted its outlook and exposures for countries in this region. Please refer to the table below for more details about the diversification across different countries.

[10] Investment restrictions are presented against total assets. The liquidity ratio is presented against net assets.

Country allocation (% of fund's total assets), December 31, 2015

Country	Percentage
Cambodia	12.7%
India	7.0%
Kyrgyzstan	5.0%
Peru	4.8%
Ecuador	4.5%
Tajikistan	4.3%
Paraguay	4.1%
Georgia	3.5%
Mongolia	3.4%
Azerbaijan	2.8%
Bolivia	2.7%
Kazakhstan	2.0%
Tunisia	1.8%
Uzbekistan	1.7%
Sri Lanka	1.6%
Panama	1.5%
Dominican Republic	1.4%
Guatemala	1.4%
Nigeria	1.1%
Tanzania	0.9%
Ivory Coast	0.8%
Laos	0.8%
Uganda	0.8%
China	0.7%
Bangladesh	0.7%
Indonesia	0.6%
Colombia	0.5%
Senegal	0.5%
Jordan	0.5%
South Africa	0.4%
Ghana	0.4%
DR Congo	0.3%
Nicaragua	0.3%
Myanmar	0.2%
Bosnia Herzegovina	0.0%
Region: Worldwide	1.4%
Total	**77.1%**

Source: Triodos Investment Management B.V.

Credit risk

The fixed income portfolio represented 58.0% of total assets in 2015 (2014: 65.9%). Triodos Microfinance Fund is therefore exposed to credit default and concentration risks. Portfolio-at-Risk (PAR) ratios (the percentage of non-performing loans in the total loan portfolio) of MFIs in the Triodos Microfinance Fund portfolio are a possible indicator of increased credit risks and are closely monitored on a continuous basis. The risk that an MFI will fail to meet its obligation to repay on maturity is mitigated by carefully selecting institutions and is further limited by closely managing the relationship. Concentration risk is mitigated by limiting the single obligor exposure to 15% of the total assets of the fund. The weighted average PAR over thirty days stood at 4.7% at year-end 2015, which was slightly higher than at year-end 2014. The fund noticed an increase in the PAR of financial institutions in Central Asia. Many of these institutions have large credit exposures in US dollars and were confronted with currency losses and increased repayment problems by end borrowers after a series of strong devaluations. Consequently, the fund has established provisions for part of its loans outstanding to two MFIs in Azerbaijan. The fund has reduced its exposure to the countries in the region in general.

Valuation risk

Valuation risk refers to the risk that the values of assets do not reflect the fair market value because valuations are based on infrequent market-based data, assumptions and peer group comparisons. As Triodos Microfinance Fund invests 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 fund employs a consistent, transparent and appropriate valuation methodology, based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV) as published by the IPEV Board and endorsed by the European Private Equity and Venture Capital Association (EVCA). To the extent that this methodology relies on periodic market-based data and peer group comparisons, the valuation of the assets may fluctuate with the variations in such data.

Outlook

Triodos Microfinance Fund expects to direct more capital towards emerging markets that demonstrate greater resilience to higher interest rates and have strongly developing domestic economies. In addition, countries with a greater market potential for financial inclusion, for instance in Asia and Africa, will be targeted. Aligning with its strategy, the fund will continue to build up its portfolio with players that target the underserved SME sector and employ innovative methods to increase financial inclusion, while also safeguarding the environment and operating sustainably.

The inclusive finance market is expected to grow by between 10% and 15% in 2016, which is slightly less than in 2015. The volatility on the currency markets is likely to remain high for the time being. As a consequence, hedging costs will also remain high.

General Information Triodos SICAV II

Foreign Accounting Tax Compliance Act

The Foreign Accounting Tax Compliance Act (FATCA) is a law enacted by the United States of America (US). This law is aimed at ensuring that income earned and assets held by US persons in offshore accounts or indirectly through ownership of foreign entities is reported to the US tax authorities (IRS). FATCA achieves this via the requirement that US and foreign persons - also including entities and therefore financial institutions such as investment funds - identify and document payees and ultimately disclose information to the IRS. To mitigate foreign legal impediments due to FATCA compliance, intergovernmental agreements (IGA) with the US are being negotiated. Luxembourg has agreed an IGA with the US. Consequently and due to the specific nature of the IGA, which can be qualified as a model I, FATCA has become Luxembourg domestic legislation.

As a Foreign Financial Institution (FFI), Triodos SICAV II qualifies as a participating FFI (PFFI). Triodos SICAV II is registered with the IRS as a PFFI, which resulted in the issuance of a Global Intermediary Identification Number (GIIN). FATCA became effective as of July 1, 2014, and on-boarding procedures are in place to identify (new) investors and debt providers.

Common Reporting Standard

Similar to FATCA the Organisation for Economic Cooperation and Development (OECD) has developed the Common Reporting Standard (CRS). CRS requires financial institutions, such as investment funds, in participating CRS jurisdictions to identify and report the tax residency and account details of investors and debt providers to the relevant authorities. The respective authorities automatically exchange the aforementioned information with the authorities of other participating CRS jurisdictions on an annual basis. On October 29, 2014, 51 jurisdictions, including Luxembourg, signed the first ever multilateral competent authority agreement to automatically exchange information. As a Financial Institution (FI), Triodos SICAV II is qualified as a participating FI. As of January 1, 2016, CRS is in force and on-boarding procedures are in place to identify (new) investors and debt providers.

Risk Management

Risk management framework of the alternative investment fund manager

The alternative investment fund manager (Triodos Investment Management) has implemented an integral risk management framework throughout its organisation in order to adequately monitor and manage the risks related to Triodos SICAV II and its sub-funds. This risk management framework is based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework for integral risk management, and furthermore contains policies and procedures designed in accordance with European regulations, best market practices and a permanent, independent risk management function in compliance with the AIFM Directive[11].

The risk management framework describes the roles and responsibilities of the risk management function; risk governance (the 'three-lines-of-defence' model) at the level of both the alternative investment fund manager and Triodos SICAV II and its sub-funds. It also describes the risk management process to identify, measure, mitigate, monitor, report and evaluate all relevant risks related to the sub-funds. The risk management function is responsible for the implementation and execution of the risk management process and policies. The risk management function is functionally and hierarchically separated from the portfolio management function.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The primary responsibility for the effective identification, management and monitoring of operational risk lies with the alternative investment fund manager of the fund. Triodos Investment Management identifies, monitors and mitigates operational risks through a risk management program that includes a periodic risk and control self assessment. Triodos Investment Management is committed to continuously enhance the effectiveness and controllability of its processes as alternative investment fund manager of the fund. For further details of the operational risks within the alternative investment fund manager, please refer to the annual report of Triodos Investment Management.

[11] Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directives 2003/41/EC and 2009/65/EC as implemented in Luxembourg through the law of 12 July 2013 on alternative investment fund managers (the "Law of 2013").

Valuation framework

In order to ensure an independent, sound, comprehensive, consistent and auditor-approved valuation methodology, the alternative investment fund manager 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, taking into account 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, moreover, ensures a consistent approach to the valuation function, independent valuation committees and the use of external valuers at the fund level.

Liquidity management

Given the special liquidity characteristics of the investments, the risk management function has a specific liquidity (risk) management policy framework applicable to the sub-funds of Triodos SICAV II, in accordance with European regulations and best market practices, to ensure that liquidity risk is appropriately measured, monitored and managed at the sub-fund level. The framework contains policies and procedures to:

- ensure the availability of sufficient liquidity to meet financial obligations and adequately manage excess liquidity to act in the best interest of the investors in the sub-funds of Triodos SICAV II. Investors should carefully take note that given the type of assets, there is no guarantee that there will be sufficient funds to pay for the redemption of shares of the sub-fund and that there is no guarantee that the redemption can take place on the requested date;
- assess the risk of insufficient liquidity by regularly conducting tests under normal and exceptional (stress test) liquidity conditions;
- provide adequate escalation measures in case of liquidity shortages or distressed situations (liquidity contingency plan);
- ensure the coherence of the sub-funds' investment strategies, their liquidity profiles and their redemption policies.

The alternative investment fund manager has implemented standardised methods to monitor the liquidity positions of the sub-funds and to assess near-future developments regarding liquidity, including early warning parameters. The liquidity positions of the sub-funds are monitored both at sub-fund level and at investment manager level.

Risk profile

The sub-funds of Triodos SICAV II are exposed to a variety of risks, including market risk, credit risk, and liquidity risk. The sub-funds 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 investment strategies and therefore different risk profiles. There is no guarantee that the sub-funds will achieve their goals, due to market fluctuations and other risks to which the investments are exposed.

Specific risk factors for the sub-funds

As the sub-funds of Triodos SICAV II differ significantly in their investment policies and associated risks, it is important to study the specific risk factors for each sub-fund, as described in the risk paragraph in this report.

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', management companies are required to at least disclose information about their remuneration practices for employees whose professional activities have a material impact on its risk profile (so-called "identified staff").

All of the staff members of Triodos Investment Management are employed by Triodos Bank. Triodos Bank believes good and appropriate remuneration for all its employees 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.com. The wage system of Triodos Bank does not include bonuses or option share schemes. Triodos Bank considers financial incentives as an inappropriate way to motivate and reward employees. Variable remuneration is therefore limited. The Management Board of the alternative investment fund manager annually assesses the remuneration policy. Identified staff is a definition from the AIFM guidelines and concerns all staff that may influence the risk profile of the fund. Besides the members of the board, these are also the fund manager and the managers of support departments.

The table below contains 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 alternative investment fund manager is used for the allocation of staff to Triodos Microfinance Fund. As this table aims to show the remuneration of employees, all other costs of the manager, such as for housing, workplace, travelling, outsourced activities, external consultants, are excluded. The amounts shown in the tables include income tax, social premiums, pension fees and tokens of appreciation. The largest part of the variable remuneration in 2015 was related to severance payments. Triodos Bank may provide additional individual tokens of appreciation to co-workers to a maximum of one month 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 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 for each co-worker. This can be paid in cash or in Triodos Bank N.V. depository receipts. In 2015 a collective end-of-year token of appreciation of EUR 300 was awarded.

Luxembourg, April 5, 2016

The Board of Directors of Triodos SICAV II

Pierre Aeby (Chairman)
Marilou van Golstein Brouwers
Patrick Goodman
Olivier Marquet
Garry Pieters

Applicable over the year 2015 (amounts in EUR)	**Co-workers directly involved in Triodos Microfinance Fund**	**Identified staff in senior management positions**	**Other identified staff**
Number of staff involved	63	5	9
Average FTEs	21.6	1.2	2.6
Fixed remuneration	1,952,013	223,358	312,869
Variable remuneration	41,220	24,182	4,499
Total remuneration	**1,993,233**	**247,540**	**317,368**

Source: Triodos Investment Management B.V.

General information

Structure

Triodos Microfinance Fund was launched in March 2009 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 Microfinance Fund has euro as well as British pound sterling share classes for retail, private banking and institutional investors.

The Board of Directors has appointed Triodos Investment Management B.V. as the alternative investment fund manager of Triodos SICAV II. Triodos Investment Management B.V. is incorporated under the laws of the Netherlands and is a wholly-owned subsidiary of Triodos Bank N.V. Triodos Investment Management B.V. is supervised by the Dutch regulator, Autoriteit Financiële Markten.

The Annual General Meeting of Shareholders takes place of Triodos SICAV II 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 of Triodos SICAV II 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. Triodos SICAV II also publishes an integrated detailed semi-annual report. In addition, separate reports for each sub-fund of Triodos SICAV II are published. Copies may be obtained free of charge from the registered office of Triodos SICAV II or can be downloaded from Triodos Bank: www.triodos.com and www.triodos.nl.

Investment policy

Triodos Microfinance Fund primarily invests, directly or indirectly, in microfinance institutions (MFIs), small and medium-sized enterprise (SME) banks and other applicable financial institutions with a track record, which have gone through the first phase of rapid growth and are financially sustainable. The fund is also allowed to invest in greenfield MFIs. In most cases institutions will be supervised by relevant local government authorities.

Triodos Microfinance Fund invests in equity, subordinated debt, convertible debt, senior debt and debt instruments in qualifying investments. The fund investment amount per investment project is assumed to be typically between EUR 1 million and EUR 10 million, but is bound by single client exposure and other investment restrictions as presented in the prospectus. The fund will generally take minority equity positions in its investees. Triodos Microfinance Fund will mainly invest in non-listed securities and investment instruments other than transferable securities. However, the fund may also, on an ancillary basis, invest in stock-listed companies. For the temporary investment of liquidity surpluses, the fund may invest in bonds and money market instruments issued by companies, governments or public international bodies admitted to the Triodos sustainable investment universe. The equity investments of Triodos Microfinance Fund will primarily be in local currency, i.e. any currency other than US dollars and euros. Debt financing will be done in a mixture of local currency and investments in US dollar and euro. Investments in US dollar will be hedged to a large extent against the reference currency of the fund (perfect hedges of the interest and principal flows may not be economical). Investments in local currencies may be hedged where possible and where deemed appropriate. Cash and liquid assets will be mainly invested in euro.

Triodos Microfinance Fund may enter into syndicated finance agreements with other funds managed by Triodos Investment Management or other entities.

Fiscal aspects

According to the law in force and current practice, Triodos Microfinance Fund is not subject to any Luxembourg tax on income and capital gains. Dividends paid by Triodos Microfinance Fund are not subject to any Luxembourg withholding tax. Since

January 1, 2010, Triodos Microfinance Fund is no longer subject to any subscription tax as its objective is investment in MFIs. In addition, the issue of shares in the SICAV is not subject to any registration duties or other taxes in Luxembourg. Some dividend and interest income from Triodos Microfinance Fund's portfolio may be subject to withholding taxes at variable rates in the countries of origin.

Shareholders in Triodos Microfinance Fund in principle 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 shareholders domiciled, resident or having a permanent establishment in Luxembourg). The above information is based on the law in force and current practice and is subject to change.

Investors should be aware that income, dividends received or profits realised may result in taxation in their country of origin, residence or domicile.

Summary of annual accounts 2015

Statement of net assets as at December 31, 2015

(amounts in EUR)	Notes	December 31, 2015	December 31, 2014	December 31, 2013
Assets				
Fixed assets				
Investment in financial assets (Historic cost: EUR 205,679,701 as at December 31, 2015; EUR 172,029,935 as at December 31, 2014; EUR 117,010,403 as at December 31, 2013)	2	235,254,899	192,889,584	124,319,850
Formation expenses	3	–	–	5,833
Current assets				
Cash and cash equivalents		65,337,173	33,446,935	34,886,216
Net unrealised gain on swap contracts	11	–	113,559	506,440
Net unrealised gain on forward foreign exchange contracts	10	–	–	2,774,366
Interest receivable	2	4,388,833	3,910,343	1,917,792
Other current assets		40,169	–	15,372
Total assets		305,021,074	230,360,421	164,425,869
Liabilities				
Liabilities due within one year				
Net unrealised loss on swap contracts	11	1,049,257	–	–
Net unrealised loss on forward foreign exchange contracts	10	9,570,478	8,791,472	–
Investment management, distribution and service fees payable	6	1,381,468	997,474	807,988
Accounts payable and accrued expenses	9	2,460,991	188,323	147,049
Total liabilities		14,462,194	9,977,269	955,037
Net assets		290,558,880	220,383,152	163,470,832

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

Statement of operations for the period ended December 31, 2015

(amounts in EUR)	Notes	December 31, 2015	December 31, 2014	December 31, 2013
Income:				
Dividend income	2	1,506,020	820,443	929,658
Interest on loans	2	15,550,883	10,398,207	6,516,701
Bank interest		4,652	33,752	215,765
Other income	7	309,887	394,209	302,136
Total income		**17,371,442**	**11,646,611**	**7,964,260**
Expenses				
Amortisation of formation expenses	3	–	5,833	35,000
Investment management, distribution and service fees	6	4,852,750	3,623,353	2,883,454
Administrative and custodian fees	5	321,384	282,597	209,753
Audit and reporting expenses		65,542	76,357	61,485
Interest paid		10,021	1,994	1,132
Other expenses	8	125,470	175,909	90,977
Total expenses		**5,375,167**	**4,166,043**	**3,281,801**
Net operating income		**11,996,275**	**7,480,568**	**4,682,459**
Realised gain on investments		2,207,311	5,103,883	556,957
Realised loss on investments		(151,247)	(1,492,209)	(7,065)
Realised gain on swaps		262,322	72,249	–
Realised loss on swaps		(103,453)	–	(411,497)
Realised gain on foreign exchange contracts		4,583,824	1,898,854	2,317,758
Realised loss on foreign exchange contracts		(17,384,119)	(2,473,448)	(2,843,675)
Realised gain on foreign exchange		973,092	445,640	205,984
Realised loss on foreign exchange		(759,475)	(151,329)	(109,600)
Change in unrealised appreciation on investments		8,715,552	13,550,202	5,892,696
Change in unrealised depreciation on investments		–	–	(5,016,350)
Change in unrealised appreciation on swap contracts		–	–	616,983
Change in unrealised depreciation on swap contracts		(1,162,816)	(392,881)	–
Change in unrealised appreciation on forward foreign exchange contracts		–	169,681	3,446,587
Change in net unrealised appreciation/(depreciation) on forward foreign exchange contracts		(779,005)	(11,735,519)	–
Net increase in net assets resulting from operations		**8,398,261**	**12,475,691**	**9,331,147**

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

Statement of changes in net assets for the period ended December 31, 2015

(amounts in EUR)	December 31, 2015	December 31, 2014	December 31, 2013
Operations			
Net operating income	11,996,275	7,480,568	4,682,459
Realised gain on investments	2,207,311	5,103,883	556,957
Realised loss on investments	(151,247)	(1,492,209)	(7,065)
Realised gain on swaps	262,322	72,249	–
Realised loss on swaps	(103,453)	–	(411,497)
Realised gain on foreign exchange contracts	4,583,824	1,898,854	2,317,758
Realised loss on foreign exchange contracts	(17,384,119)	(2,473,448)	(2,843,675)
Realised gain on foreign exchange	973,092	445,640	205,984
Realised loss on foreign exchange	(759,475)	(151,329)	(109,600)
Change in unrealised appreciation on investments	8,715,552	13,550,202	5,892,696
Change in unrealised depreciation on investments	–	–	(5,016,350)
Change in unrealised appreciation on swap contracts	–	–	616,983
Change in unrealised depreciation on swap contracts	(1,162,816)	(392,881)	–
Change in unrealised appreciation on forward foreign exchange contracts	–	169,681	3,446,587
Change in unrealised depreciation on forward foreign exchange contracts	(779,005)	(11,735,519)	–
Net increase in net assets resulting from operations	**8,398,261**	**12,475,691**	**9,331,147**
Capital transactions			
Capital subscriptions			
I Capitalisation Share Class (EUR)	43,534,012	38,437,110	14,380,824
I Distribution Share Class (EUR)	7,348,811	8,347,640	1,148,240
B Capitalisation Share Class (EUR)	82,273	233,106	492,760
B Distribution Share Class (EUR)	278,820	2,855,523	21,452,647
R Capitalisation Share Class (EUR)	3,630,026	3,407,045	3,212,131
R Distribution Share Class (EUR)	4,901,237	1,921,845	1,700,325
K-Institutional Distribution Share Class (GBP)	486,785	1,314,545	358,584
K-B Distribution Share Class (GBP)	29,675	15,948	213,231
K-Retail Distribution Share Class (GBP)	10,112	5,418	5,661
K-Z Capitalisation Share Class (GBP)	–	209,510	238,248
K-Z Distribution Share Class (GBP)	2,809,285	145,904	188,576
Z- Capitalisation Share Class (EUR)	670,476	1,626,917	500
Z- Distribution Share Class (EUR)	12,176,206	65,549,598	500
Total subscriptions	**75,957,718**	**124,070,109**	**43,392,227**

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

Statement of changes in net assets for the period ended December 31, 2015

(amounts in EUR)	December 31, 2015	December 31, 2014	December 31, 2013
Capital redemptions			
I Capitalisation Share Class (EUR)	(4,726,613)	(10,708,400)	(3,229,407)
I Distribution Share Class (EUR)	–	(40,957)	–
B Capitalisation Share Class (EUR)	(152,163)	(1,261,897)	(1,138,241)
B Distribution Share Class (EUR)	(103,338)	(56,298,132)	(3,169,208)
R Capitalisation Share Class (EUR)	(272,783)	(431,312)	–
R Distribution Share Class (EUR)	(57,145)	(637,330)	(146,384)
K-Institutional Capitalisation Share Class (GBP)	–	(2,319,579)	–
K-Institutional Distribution Share Class (GBP)	(91,807)	(27,520)	(524,321)
K-B Capitalisation Share Class (GBP)	(88,023)	(104,694)	(359,364)
K-B Distribution Share Class (GBP)	–	(187,780)	–
K-Retail Capitalisation Share Class (GBP)	–	(71,332)	(1,094)
K-Retail Distribution Share Class(GBP)	–	(67,288)	(255,958)
Z- Capitalisation Share Class (EUR)	(116,686)	(84,899)	–
Z- Distribution Share Class (EUR)	(1,766,252)	(5,343,024)	–
Total redemptions	**(7,374,810)**	**(77,584,144)**	**(8,823,977)**
Net increase in net assets resulting from capital transactions	**65,582,908**	**46,485,965**	**34,568,250**
Net assets			
Net assets at the beginning of the year	220,383,152	163,470,832	122,404,100
Total increase in net assets	76,981,169	58,961,656	43,899,397
Dividend distribution	(6,805,441)	(2,049,336)	(2,832,665)
Net assets at the end of the year	**290,558,880**	**220,383,152**	**163,470,832**

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

Cash flow statement for the period ended December 31, 2015

(amounts in EUR)	December 31, 2015	December 31, 2014	December 31, 2013
Cash provided by operating activities			
Profit after taxation	8,398,261	12,475,691	9,331,147
(-) (increase) in unrealised gains and losses on investments and forward foreign exchange contracts	(6,773,731)	(1,591,483)	(4,939,826)
(-) decrease/(+) increase in receivables and other assets	(518,659)	(1,971,346)	(416,721)
(+) increase/(-) decrease in payables	2,656,662	230,760	270,438
Net cash provided by operating activities	**3,762,533**	**9,143,622**	**4,245,038**
Cash provided by financing activities			
(+) proceeds from shares issued	75,957,718	124,070,109	43,392,227
(-) decrease from shares redeemed	(7,374,810)	(77,584,144)	(8,823,978)
(-) distributions paid to shareholders	(6,805,441)	(2,049,336)	(2,832,665)
Net cash provided by financing activities	**61,777,467**	**44,436,629**	**31,735,584**
Cash provided from investing activities			
(-) acquisitions of financial assets	(33,649,762)	(55,019,532)	(32,665,600)
Net cash used by investing activities	**(33,649,762)**	**(55,019,532)**	**(32,665,600)**
Cash			
Net increase/(decrease) in cash and cash equivalents	31,890,238	(1,439,281)	3,315,022
Cash at the beginning of the year	33,446,935	34,886,216	31,571,194
Cash at the end of the year	**65,337,173**	**33,446,935**	**34,886,216**

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

Statement of changes in the number of shares outstanding for the period ended December 31, 2015

	December 31, 2015	December 31, 2014	December 31, 2013
Number of Shares outstanding at the beginning of the year			
I Capitalisation Share Class (EUR)	2,552,340.880	1,715,520.458	1,363,943.639
I Distribution Share Class (EUR)	1,237,951.752	947,608.782	906,615.976
B Capitalisation Share Class (EUR)	13,670.578	46,080.221	66,655.172
B Distribution Share Class (EUR)	32,057.000	1,913,893.000	1,253,099.000
R Capitalisation Share Class (EUR)	259,233.851	166,243.191	60,532.331
R Distribution Share Class (EUR)	192,203.393	147,122.402	90,999.422
K–Institutional Capitalisation Share Class (GBP)	–	73,880.300	73,880.300
K–Institutional Distribution Share Class (GBP)	438,633.415	390,581.346	397,315.029
K–B Capitalisation Share Class (GBP)	26,635.221	30,060.455	42,882.088
K–B Distribution Share Class (GBP)	23,496.117	29,841.123	21,575.757
K–Retail Capitalisation Share Class (GBP)	–	2,327.424	2,367.424
K–Retail Distribution Share Class (GBP)	15,892.247	18,109.626	27,780.607
K–Z Capitalisation Share Class (GBP)	18,203.935	10,149.940	–
K–Z Distribution Share Class (GBP)	13,776.912	8,242.587	–
Z– Capitalisation Share Class (EUR)	60,264.000	20.000	–
Z– Distribution Share Class (EUR)	2,359,792.777	20.000	–
Subscriptions over the year			
I Capitalisation Share Class (EUR)	1,229,567.458	1,155,975.331	452,994.652
I Distribution Share Class (EUR)	254,063.517	291,789.528	40,992.806
B Capitalisation Share Class (EUR)	2,433.697	7,340.357	16,368.733
B Distribution Share Class (EUR)	9,865.876	100,507.000	775,135.000
R Capitalisation Share Class (EUR)	107,163.280	106,537.870	105,710.860
R Distribution Share Class (EUR)	172,224.006	67,738.000	61,393.815
K–Institutional Capitalisation Share Class (GBP)	–	–	–
K–Institutional Distribution Share Class (GBP)	15,611.697	49,091.319	14,151.426
K–B Capitalisation Share Class (GBP)	–	–	–
K–B Distribution Share Class (GBP)	943.807	589.199	8,265.366
K–Retail Capitalisation Share Class (GBP)	–	–	–
K–Retail Distribution Share Class (GBP)	333.583	207.621	229.019
K–Z Capitalisation Share Class (GBP)	–	8,053.995	10,149.940
K–Z Distribution Share Class (GBP)	95,000.971	5,534.325	8,242.587
Z– Capitalisation Share Class (EUR)	24,430.000	63,531.613	20.000
Z– Distribution Share Class (EUR)	460,556.587	2,568,085.860	20.000

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

Statement of changes in the number of shares outstanding for the period ended December 31, 2015

	December 31, 2015	December 31, 2014	December 31, 2013
Redemptions over the year			
I Capitalisation Share Class (EUR)	133,348.251	319,154.909	101,417.833
I Distribution Share Class (EUR)	–	1,446.558	–
B Capitalisation Share Class (EUR)	4,471.000	39,750.000	36,943.684
B Distribution Share Class (EUR)	3,649.000	1,982,343.000	114,341.000
R Capitalisation Share Class (EUR)	8,075.055	13,547.210	–
R Distribution Share Class (EUR)	1,925.367	22,657.009	5,270.835
K–Institutional Capitalisation Share Class (GBP)	–	73,880.300	–
K–Institutional Distribution Share Class (GBP)	2,998.053	1,039.250	20,885.109
K–B Capitalisation Share Class (GBP)	2,469.721	3,425.234	12,821.633
K–B Distribution Share Class (GBP)	–	6,934.205	–
K–Retail Capitalisation Share Class (GBP)	–	2,327.424	40.000
K–Retail Distribution Share Class (GBP)	–	2,425.000	9,900.000
K–Z Capitalisation Share Class (GBP)	–	–	–
K–Z Distribution Share Class (GBP)	–	–	–
Z– Capitalisation Share Class (EUR)	4,214.000	3,287.613	–
Z– Distribution Share Class (EUR)	66,251.000	208,313.083	–
Number of Shares outstanding at the end of the year			
I Capitalisation Share Class (EUR)	3,648,560.087	2,552,340.880	1,715,520.458
I Distribution Share Class (EUR)	1,492,015.269	1,237,951.752	947,608.782
B Capitalisation Share Class (EUR)	11,633.275	13,670.578	46,080.221
B Distribution Share Class (EUR)	38,273.876	32,057.000	1,913,893.000
R Capitalisation Share Class (EUR)	358,322.076	259,233.851	166,243.191
R Distribution Share Class (EUR)	362,502.032	192,203.393	147,122.402
K–Institutional Capitalisation Share Class (GBP)	–	–	73,880.300
K–Institutional Distribution Share Class (GBP)	451,247.059	438,633.415	390,581.346
K–B Capitalisation Share Class (GBP)	24,165.500	26,635.221	30,060.455
K–B Distribution Share Class (GBP)	24,439.924	23,496.117	29,841.123
K–Retail Capitalisation Share Class (GBP)	–	–	2,327.424
K–Retail Distribution Share Class (GBP)	16,225.830	15,892.247	18,109.626
K–Z Capitalisation Share Class (GBP)	18,203.935	18,203.935	10,149.940
K–Z Distribution Share Class (GBP)	108,777.883	13,776.912	8,242.587
Z– Capitalisation Share Class (EUR)	80,480.000	60,264.000	20.000
Z– Distribution Share Class (EUR)	2,754,098.364	2,359,792.777	20.000

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

Statistics

(amounts in EUR)	December 31, 2015	December 31, 2014	December 31, 2013
Total net asset value at the end of the period/year			
I Capitalisation Share Class (EUR)	130,576,113	88,403,320	56,070,361
I Distribution Share Class (EUR)	42,525,824	36,127,292	27,071,629
B Capitalisation Share Class (EUR)	396,537	454,391	1,454,618
B Distribution Share Class (EUR)	1,082,404	929,125	54,264,460
R Capitalisation Share Class (EUR)	12,184,172	8,595,222	5,235,015
R Distribution Share Class (EUR)	10,263,064	5,576,750	4,177,173
K-Institutional Capitalisation Share Class (GBP)	–	–	2,319,579
K-Institutional Distribution Share Class (GBP)	13,417,360	12,570,509	10,194,210
K-B Capitalisation Share Class (GBP)	863,498	879,829	878,981
K-B Distribution Share Class (GBP)	752,932	698,408	808,236
K-Retail Capitalisation Share Class (GBP)	–	–	68,190
K-Retail Distribution Share Class (GBP)	482,236	455,696	472,910
K-Z Capitalisation Share Class (GBP)	555,553	510,786	250,944
K-Z Distribution Share Class (GBP)	3,120,806	381,298	203,508
Z- Capitalisation Share Class (EUR)	2,233,040	1,621,438	509
Z- Distribution Share Class (EUR)	72,105,341	63,179,088	509
	290,558,880	**220,383,152**	**163,470,832**

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

Statistics

(amounts in EUR)	December 31, 2015	December 31, 2014	December 31, 2013
Net asset value per share at the end of the period/year			
I Capitalisation Share Class (EUR)	35.79	34.64	32.68
I Distribution Share Class (EUR)	28.50	29.18	28.57
B Capitalisation Share Class (EUR)	34.09	33.24	31.57
B Distribution Share Class (EUR)	28.28	28.98	28.35
R Capitalisation Share Class (EUR)	34.00	33.16	31.49
R Distribution Share Class (EUR)	28.31	29.01	28.39
K-Institutional Capitalisation Share Class (EUR)	–	–	31.40
K-Institutional Capitalisation Share Class (GBP)	–	–	(GBP 26.12)
K-Institutional Distribution Share Class (EUR)	29.73	28.66	26.10
K-Institutional Distribution Share Class (GBP)	(GBP 21.91)	(GBP 22.24)	(GBP 21.71)
K-B Capitalisation Share Class (EUR)	35.73	33.03	29.24
K-B Capitalisation Share Class (GBP)	(GBP 26.33)	(GBP 25.63)	(GBP 24.33)
K-B Distribution Share Class (EUR)	30.81	29.72	27.08
K-B Distribution Share Class (GBP)	(GBP 22.71)	(GBP 23.06)	(GBP 22.53)
K-Retail Capitalisation Share Class (EUR)	–	–	29.30
K-Retail Capitalisation Share Class (GBP)	–	–	(GBP 24.38)
K-Retail Distribution Share Class (EUR)	29.72	28.67	26.11
K-Retail Distribution Share Class (GBP)	(GBP 21.90)	(GBP 22.25)	(GBP 21.72)
K-Z Capitalisation Share Class (EUR)	30.52	28.06	24.72
K-Z Capitalisation Share Class (GBP)	(GBP 22.49)	(GBP 21.78)	(GBP 20.57)
K-Z Distribution Share Class (EUR)	28.69	27.68	24.69
K-Z Distribution Share Class (GBP)	(GBP 21.15)	(GBP 21.48)	(GBP 20.54)
Z- Capitalisation Share Class (EUR)	27.75	26.91	25.45
Z- Distribution Share Class (EUR)	26.18	26.77	25.45

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

Notes to the financial statements

1. General

Triodos Microfinance 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. The SICAV is an alternative investment fund (“AIF”) subject to the requirements of the Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Manager’s Directive (“AIFMD”) as implemented in Luxembourg through the law of 12 July 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 October 16, 2014 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, 2015 the SICAV has three sub-funds: Triodos Renewables Europe Fund, Triodos Microfinance Fund and Triodos Organic Growth Fund.

Triodos Microfinance Fund, to which the separate annual report relates, does not constitute a separate legal entity, but there are two other sub-funds which together with Triodos Microfinance Fund form a single entity. An annual report which includes a complete description of the three 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-sund is deemed to be a separate entity.

The overall objective of Triodos SICAV II - Triodos Microfinance Fund (the “sub-fund”) is to offer investors a financially and socially sound investment in the microfinance sector, mainly through investments in microfinance institutions (MFIs). The sub-fund offers the prospect of an attractive financial return combined with the opportunity for investors to make a pro-active, measurable and sustainable contribution to the development of the microfinance sector into an inclusive financial sector in which the majority of people have access to financial services.

The first subscription period ended on February 27, 2009 and the first NAV was calculated on March 31, 2009.

Shares may be subscribed once a month, 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 month subject to a notice period. 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 Sub-Fund may offer Shares of the following Classes:
- Euro-denominated Class “R” Shares Capitalisation
- Euro-denominated Class “R” Shares Distribution
- Euro-denominated Class “Z” Shares Capitalisation

- Euro-denominated Class “Z” Shares Distribution
- Euro denominated Class “B” Shares Capitalisation
- Euro denominated Class “B” Shares Distribution
- Euro-denominated Class “I” Shares Capitalisation
- Euro-denominated Class “I” Shares Distribution
- British Pound-denominated Class “K-Retail” Shares Capitalisation
- British Pound-denominated Class “K-Retail” Shares Distribution
- British Pound-denominated Class “K-Z” Shares Capitalisation
- British Pound-denominated Class “K-Z” Shares Distribution
- British Pound-denominated Class “K-B” Shares Capitalisation
- British Pound-denominated Class “K-B” Shares Distribution
- British Pound-denominated Class “K-Institutional” Shares Capitalisation
- British Pound-denominated Class “K-Institutional” Shares Distribution
- Euro-denominated Class “P” Shares Capitalisation (not yet launched as per December 31, 2015)

• Class“R” Shares is open to certain retail investors, dependent on their country of residence.
• Class “Z” Shares is open to certain retail investors, dependent on their country of residence.
• Class “B” Shares is open to clients of private banks and other investors, who do not have access to Class “I” Shares or to Class “R” Shares.
• Class “I” Shares is restricted to Institutional Investors.
• Class “K-Retail” Shares was offered to certain retail investors resident in the United Kingdom. Following the implementation of the Retail Distribution Review, no new “K-Retail” Shares have been or will be issued after December 31, 2012. This Class of Shares is hedged towards the Euro.
• Class “K-Z” Shares is open to certain retail investors who are resident in the United Kingdom. This Class of Shares is hedged towards the Euro.
• Class “K-B” Shares was offered to investors, who do not have access to Class “K-Institutional” Shares or to Class “K-Retail” Shares and who are resident in the United Kingdom. Following the implementation of the Retail Distribution Review, no new “K-B” Shares have been or will be issued after December 31, 2012. This class of Shares is hedged towards the Euro.
• Class “K-Institutional” Shares is open to Institutional Investors, which are resident in the United Kingdom. This class is hedged towards the Euro.
• Class “P” Shares (when launched) is open to entities of Triodos Group. Class “P” Shares gives the right, in accordance with the Articles, to propose to the general meeting of Shareholders a list containing the names of candidates for the position of director of the SICAV from which a majority of the Directors must be appointed.

For the Classes of Shares which are of the Capitalisation type, there are no distributions of dividends. Income earned in these Classes of Shares is reinvested.

For the Classes of Shares which are of the Distribution type, there are distributions of dividends.

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

Shares may be subscribed once a month, on the Business Day preceding the Valuation Date.

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 subordinated debt investments are valued on the basis of the cost value less repayments and adjustments for any impairment. The private equity investments and the underlying investment funds are valued at fair value on the basis of adapted valuation models.

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 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.

The senior debt instruments held by the sub-fund are valued on the basis of the cost value less repayments and adjustments for any impairment.

(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 is 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. Cross-currency interest rate swaps are valued on the basis of the prices provided by the counterparty.

(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) Gains 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

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

4. Taxation

According to the law in force and current practice, the SICAV, including the sub-fund, 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.

Since January 1, 2010, microfinance funds are no longer subject to any subscription tax. The sub-fund, qualifying as a microfinance fund, is thus no longer subject to subscription tax.

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

5. 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 monthly.

The administrative and depositary fees comprise the following:

Currency (EUR)	2015	2014	2013
Domiciliary agency fee	4,812	3,437	4,827
Administrative fee	103,314	85,005	63,623
Transfer agency fee	85,524	104,431	73,270
Depositary fee	127,734	89,724	68,033
Total	**321,384**	**282,597**	**209,753**

6. 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 an annual fee of 1.75% for Class "I" Shares, Class "K-Institutional" Shares and Class "P" Shares (when launched), an annual fee of 2.50% for Class "R" Shares, Class "B" Shares, Class "K-Retail" Shares and Class "K-B" Shares and an annual fee of 1.95% for Class "Z" Shares and Class "K-Z" Shares, calculated on the relevant Class' Net Assets, accrued monthly and payable quarterly.

The costs for marketing and distribution activities related to retail investors and attributable to Class "R" Shares, Class "B" Shares, Class "K-Retail" Shares and Class "K-B" Shares will only be borne by Class "R" Shares, Class "B" Shares, Class "K-Retail" Shares and Class "K-B" 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 and Class "K-Z" Shares will only be borne by Class "Z" Shares and Class "K-Z" Shares and may amount to maximum 0.20% (on an annual basis) of the relevant Share Class' Net Assets.

7. Other income

The other income comprises the following:

Currency (EUR)	2015	2014	2013
Administrative fee income on loans granted by the Fund	306,719	392,697	302,136
Other income	3,168	1,512	–
Total	**309,887**	**394,209**	**302,136**

8. Other expenses

The other expenses comprise the following:

Currency (EUR)	2015	2014	2013
Supervisory fee (CSSF)	2,000	2,000	3,000
Remuneration of the Board of Directors/Managers	10,000	6,667	10,000
Legal fees	15,510	85,712	44,128
Consulting fees	30,718	5,406	–
Bank fees	23,850	4,635	11,806
Portfolio transaction costs	(2,240)	38,383	–
Other expenses	45,632	33,107	22,043
Total	**125,470**	**175,910**	**90,977**

9. Accounts payable and accrued expenses

As at December 31, 2015, the accounts payable and accrued expenses mainly include the following expenses: administrative fees, audit fees, depositary fees, domiciliary agency fees, legal fees and transfer agency fees.

10. Forward foreign exchange contracts

As at December 31, 2015 outstanding forward foreign exchange contracts are composed of:

Maturity date	Purchase		Sale		Unrealised gain/ (loss) in EUR
04.01.2016	USD	4,762,072	PEN	(13,600,000)	711,503
06.01.2016	EUR	3,692,673	USD	(4,762,072)	(682,147)
06.01.2016	EUR	1,850,481	USD	(2,500,000)	(446,432)
06.01.2016	EUR	280,778	USD	(375,000)	(63,751)
06.01.2016	EUR	1,249,032	USD	(1,500,000)	(128,780)
06.01.2016	EUR	416,344	USD	(500,000)	(42,927)
06.01.2016	EUR	1,249,032	USD	(1,500,000)	(128,780)
07.01.2016	EUR	1,031,675	USD	(1,239,000)	(106,376)
07.01.2016	EUR	2,458,866	USD	(2,953,000)	(253,533)
07.01.2016	USD	1,239,000	EUR	(1,034,742)	103,049
07.01.2016	USD	2,953,000	EUR	(2,466,177)	245,605
11.01.2016	GBP	626,706	EUR	(869,745)	(19,629)
11.01.2016	GBP	549,340	EUR	(762,376)	(17,206)
11.01.2016	GBP	9,798,865	EUR	(13,598,901)	(306,907)
11.01.2016	GBP	358,425	EUR	(497,423)	(11,226)
11.01.2016	GBP	401,670	EUR	(557,439)	(12,581)
11.01.2016	GBP	2,298,559	EUR	(3,189,948)	(71,992)
11.01.2016	GBP	16,938	EUR	(23,512)	(536)
11.01.2016	GBP	11,964	EUR	(16,608)	(379)
11.01.2016	GBP	12,201	EUR	(16,936)	(386)
04.02.2016	EUR	1,486,878	USD	(2,000,000)	(349,725)
04.02.2016	EUR	377,209	USD	(500,000)	(81,925)
03.03.2016	EUR	409,724	USD	(450,000)	(2,997)
03.03.2016	EUR	546,299	USD	(600,000)	(3,997)
01.04.2016	USD	1,717,530	PEN	(4,750,000)	321,370
06.04.2016	EUR	1,285,336	USD	(1,717,530)	(289,715)
06.04.2016	EUR	2,139,610	USD	(2,800,000)	(427,906)
06.04.2016	EUR	944,697	USD	(1,250,000)	(201,564)
07.04.2016	EUR	360,438	USD	(500,000)	(98,137)
05.05.2016	EUR	747,496	USD	(1,000,000)	(168,888)
06.05.2016	EUR	4,209,307	USD	(4,631,500)	(30,619)
06.05.2016	EUR	908,843	USD	(1,000,000)	(6,611)
06.05.2016	EUR	454,422	USD	(500,000)	(3,306)
19.05.2016	EUR	6,097,419	USD	(6,562,500)	93,114
02.06.2016	EUR	4,531,140	USD	(5,000,000)	(41,999)
06.06.2016	EUR	1,124,838	USD	(1,500,000)	(248,440)
06.06.2016	EUR	2,964,055	USD	(3,326,100)	(77,895)
06.06.2016	EUR	2,514,976	USD	(2,750,000)	(5,401)
07.06.2016	EUR	341,973	USD	(386,720)	(11,716)

Maturity date	Purchase		Sale		Unrealised gain/ (loss) in EUR
07.06.2016	EUR	6,683,360	USD	(7,500,000)	(175,688)
10.06.2016	EUR	1,345,533	USD	(1,500,000)	(26,196)
14.06.2016	EUR	4,407,228	USD	(5,000,000)	(164,901)
14.06.2016	EUR	2,267,060	USD	(2,500,000)	(18,563)
20.06.2016	EUR	438,154	USD	(500,000)	(19,008)
22.06.2016	EUR	881,484	USD	(1,000,000)	(32,701)
22.06.2016	EUR	888,585	USD	(1,000,000)	(25,549)
22.06.2016	EUR	888,585	USD	(1,000,000)	(25,549)
28.06.2016	EUR	2,226,973	USD	(2,500,000)	(57,754)
28.06.2016	EUR	2,226,973	USD	(2,500,000)	(57,754)
29.06.2016	EUR	2,263,058	USD	(2,500,000)	(21,322)
29.06.2016	EUR	383,015	USD	(422,810)	(3,327)
05.07.2016	EUR	889,858	USD	(1,000,000)	(23,911)
07.07.2016	EUR	1,133,166	USD	(1,500,000)	(238,933)
12.07.2016	EUR	281,021	USD	(378,409)	(65,107)
14.07.2016	EUR	1,120,608	USD	(1,239,000)	(11,030)
05.08.2016	EUR	1,866,438	USD	(2,500,000)	(418,537)
05.08.2016	EUR	1,114,579	USD	(1,500,000)	(256,453)
05.08.2016	EUR	1,804,891	USD	(2,000,000)	(20,347)
05.08.2016	EUR	744,518	USD	(825,000)	(8,393)
05.08.2016	EUR	676,834	USD	(750,000)	(7,630)
05.08.2016	EUR	891,186	USD	(1,000,000)	(21,532)
10.08.2016	EUR	1,662,935	USD	(1,894,000)	(65,509)
10.08.2016	EUR	2,383,475	USD	(2,700,000)	(80,399)
10.08.2016	EUR	7,680,085	USD	(8,700,000)	(259,064)
11.08.2016	EUR	445,673	USD	(500,000)	(10,545)
06.09.2016	EUR	2,222,380	USD	(2,500,000)	(56,295)
06.09.2016	EUR	1,329,163	USD	(1,500,000)	(38,086)
06.09.2016	EUR	1,329,163	USD	(1,500,000)	(38,086)
06.09.2016	EUR	1,773,207	USD	(2,000,000)	(49,781)
11.10.2016	EUR	4,830,605	USD	(5,518,000)	(192,971)
27.10.2016	EUR	442,713	USD	(500,000)	(12,106)
04.11.2016	EUR	757,805	USD	(1,000,000)	(153,119)
04.11.2016	EUR	1,801,672	USD	(2,500,000)	(476,819)
04.11.2016	EUR	471,725	USD	(535,714)	(15,435)
07.11.2016	EUR	663,247	USD	(750,000)	(18,625)
07.11.2016	EUR	4,421,648	USD	(5,000,000)	(124,167)
08.11.2016	EUR	4,433,064	USD	(5,046,600)	(155,306)
08.11.2016	EUR	4,826,203	USD	(5,494,150)	(169,079)
10.11.2016	EUR	656,714	USD	(750,000)	(25,186)
10.11.2016	EUR	875,618	USD	(1,000,000)	(33,582)
10.11.2016	EUR	985,071	USD	(1,125,000)	(37,780)
10.11.2016	EUR	437,809	USD	(500,000)	(16,791)

Maturity date	Purchase		Sale		Unrealised gain/ (loss) in EUR
10.11.2016	EUR	437,809	USD	(500,000)	(16,791)
10.11.2016	EUR	656,714	USD	(750,000)	(25,186)
10.11.2016	EUR	1,313,428	USD	(1,500,000)	(50,373)
23.11.2016	EUR	2,304,891	USD	(2,500,000)	34,702
06.12.2016	EUR	2,912,427	USD	(4,000,000)	(728,439)
05.01.2017	EUR	1,315,789	USD	(1,500,000)	(44,499)
06.01.2017	EUR	1,228,174	USD	(1,500,000)	(133,421)
06.01.2017	USD	1,500,000	EUR	(1,236,145)	123,393
07.02.2017	EUR	362,043	USD	(500,000)	(92,021)
07.02.2017	EUR	360,295	USD	(500,000)	(93,799)
07.02.2017	EUR	543,459	USD	(750,000)	(137,631)
06.06.2017	EUR	1,518,027	USD	(2,000,000)	(287,912)
20.06.2017	EUR	2,375,100	INR	(237,500,000)	(663,799)
13.07.2017	EUR	435,476	USD	(594,643)	(100,978)
07.08.2017	EUR	755,744	USD	(1,000,000)	(144,731)
18.09.2017	EUR	2,055,324	INR	(196,000,000)	(401,458)
08.01.2018	EUR	1,197,533	USD	(1,500,000)	(140,972)
08.01.2018	EUR	399,178	USD	(500,000)	(46,991)
08.01.2018	USD	1,500,000	EUR	(1,213,899)	119,794
08.01.2018	USD	500,000	EUR	(404,633)	39,931
12.01.2018	EUR	648,088	USD	(891,964)	(149,951)
23.01.2018	EUR	424,649	INR	(35,000,000)	5,626
23.04.2018	EUR	417,824	INR	(35,000,000)	6,577
23.07.2018	EUR	412,183	INR	(35,000,000)	8,867
23.10.2018	EUR	407,640	INR	(35,000,000)	12,420
23.01.2019	EUR	402,733	INR	(35,000,000)	12,985
07.11.2019	EUR	441,761	USD	(600,000)	(77,137)
Total					**(9,570,478)**

The counterparties linked to the forward foreign exchange contracts are:
- RBC Investor Services Bank S.A.
- Triodos Bank N.V.

11. Swap contracts

As at December 31, 2015 outstanding cross currency interest rate swap contracts are composed of:

Description	Maturity date	Notional in EUR	Counterparty MFX Currency Risk Solutions Notional in currency		Unrealised gain/(loss) in EUR
CIRS MFX EUR/KZT	01.07.2019	1,174,565	KZT	467,653,000	251,129
CIRS MFX EUR/GHS	01.11.2016	407,830	GHS	2,500,000	(93,963)
CIRS MFX EUR/GHS	01.03.2018	304,925	GHS	2,000,000	(8,090)
CIRS MFX EUR/INR	31.01.2017	1,568,998	INR	166,000,000	(571,977)
CIRS MFX EUR/INR	01.07.2016	2,252,461	INR	208,532,839	(549,421)
CIRS MFX EUR/INR	25.11.2016	2,349,182	INR	250,000,000	(917,040)
CIRS MFX EUR/KGS	03.05.2016	853,812	KGS	81,650,000	(82,119)
CIRS MFX EUR/KGS	01.04.2019	428,071	KGS	53,854,500	13,252
CIRS MFX EUR/KZT	03.07.2017	1,117,381	KZT	283,189,165	490,713
CIRS MFX EUR/KZT	01.10.2018	585,216	KZT	199,500,000	163,286
CIRS MFX EUR/KZT	03.09.2018	1,555,694	KZT	550,560,000	386,580
CIRS MFX EUR/NGN	01.08.2017	346,021	NGN	100,000,000	27,083
CIRS MFX EUR/TJS	04.01.2016	830,471	TJS	7,248,600	(107,791)
CIRS MFX EUR/TJS	03.04.2017	766,667	TJS	7,141,500	168,962
CIRS MFX EUR/TJS	01.02.2019	153.075	TJS	2,010,940	12,167
CIRS MFX EUR/TJS	01.04.2019	94,783	TJS	1,250,000	9,113
CIRS MFX EUR/USD	01.01.2021	730,727	USD	1,000,000	(241,140)
Total					**(1,049,257)**

12. Dividend distributions

During the year ended December 31, 2015 the following dividends were paid by the sub-fund Triodos SICAV II - Triodos Microfinance Fund:

Class: “R” Shares Distribution (EUR)
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.44**

Class: “B” Shares Distribution (EUR)
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.44**

Class: “I” Shares Distribution (EUR)

Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.64**

Class: "K-Retail" Shares Distribution (GBP) *
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.36** (GBP 0.98)

Class: "K-B" Shares Distribution (GBP) *
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.41** (GBP 1.01)

Class: "K-Institutional" Shares Distribution (GBP) *
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.53** (GBP 1.10)

Class: "K-Z" Shares Distribution (GBP) *
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.41** (GBP 1.01)

Class: "Z" Shares Distribution (EUR)
Ex-date: May 29, 2015
Payment date: June 9, 2015
Dividend per share: EUR 1.42**

* Payment of distribution was made in GBP, equivalent to the EUR amount at the exchange rate as of Ex-dividend date.
** In relation with the European directive 2003/48/EC of June 3, 2003, on taxation of savings income in the form of the interests payments (the "Saving Directive") as transposed into Luxembourg law, the Board of Directors decided that the interest payments do not fall in the scope of this directive.

13. Off-balance sheet commitments

As at December 31, 2015 the sub-fund has committed to invest in the following companies:

Client	Country	Currency	Amount
Ademi	Dominican Republic	DOP	103,000,000
Alliance Finance	Sri Lanka	USD	500,000
India Financial Inclusion Fund	India	USD	381,513
Ipak Yulli Bank	Uzbekistan	USD	982,142

14. Ongoing charges ratios

	12 months ending December 31, 2015	12 months ending December 31, 2014	12 months ending December 31, 2013
B Capitalisation Share Class (EUR)	2.67%	2.50%	2.72%
B Distribution Share Class (EUR)	2.71%	2.57%	2.80%
I Capitalisation Share Class (EUR)	1.97%	2.05%	2.05%
I Distribution Share Class (EUR)	1.96%	2.04%	2.03%
K-B Capitalisation Share Class (GBP)	2.67%	2.64%	2.67%
K-B Distribution Share Class (GBP)	2.69%	2.63%	2.79%
K-Institutional Capitalisation Share Class (GBP)*	2.00%	2.00%	2.03%
K-Institutional Distribution Share Class (GBP)	1.94%	2.02%	2.03%
K-Retail Capitalisation Share Class (GBP)**	2.63%	2.63%	2.75%
K-Retail Distribution Share Class (GBP)	2.69%	2.64%	2.65%
K-Z Capitalisation Share Class (GBP)***	2.13%	2.26%	2.20%
R Capitalisation Share Class (EUR)	2.73%	2.72%	2.84%
R Distribution Share Class (EUR)	2.78%	2.70%	2.82%
K-Z Distribution Share Class (GBP)***	2.13%	2.27%	2.10%
Z- Capitalisation Share Class (EUR)***	2.16%	2.35%	2.29%
Z- Distribution Share Class (EUR)***	2.15%	2.34%	2.27%

* This share class has been active until January 2014. Ongoing charges are based on best estimate
** This share class has been active until June 2014. Ongoing charge are based on best estimate
*** Ongoing charges 2013 is based on best estimate

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.

15. Exchange rate

The exchange rates used as at December 31, 2015 are:

1 EUR =	1.696856	AZN
1 EUR =	85.246802	BDT
1 EUR =	7.495446	BOD
1 EUR =	7.053988	CNY
1 EUR =	3,448.571429	COP
1 EUR =	7.462646	DKK
1 EUR =	49.458204	DOP
1 EUR =	1.000000	EUR
1 EUR =	0.737024	GBP
1 EUR =	2.607118	GEL
1 EUR =	4.138806	GHS
1 EUR =	8.292240	GTQ
1 EUR =	14,975.186104	IDR
1 EUR =	71.864250	INR
1 EUR =	0.770241	JOD

1 EUR =	82.451613	KGS
1 EUR =	369.993188	KZT
1 EUR =	1,410.779221	MMK
1 EUR =	2,163.944223	MNT
1 EUR =	216.222134	NGN
1 EUR =	3.705864	PEN
1 EUR =	6,279.190751	PYG
1 EUR =	7.305313	TJS
1 EUR =	2.212631	TND
1 EUR =	2,346.220302	TZS
1 EUR =	3,657.575758	UGX
1 EUR =	1.086300	USD
1 EUR =	655.978261	XOF
1 EUR =	16.832726	ZAR

16. Other information

As at December 31, 2015, Mr. Pierre Aeby had 430 shares in Triodos Microfinance Fund. Mr. Patrick Goodman had 1,678 shares in Triodos Microfinance Fund. The other directors did not have shares in Triodos Microfinance Fund.

17. Transaction costs

The following table presents the transaction costs related to the portfolio of investments over 2015.

Currency (EUR)	**2015**
Triodos Microfinance Fund*	32,623

*This amount includes transaction costs related to acquisition of equity investments during 2015. The majority of these costs have been added to the cost price of the investment.

18. 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 sub-funds.

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”. 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 the commitment method as per year-end 2015 for Triodos Microfinance Fund is 102.66%.

Report of the Réviseur d'Entreprises Agréé

To the Shareholders of Triodos SICAV II - Triodos Microfinance Fund
11/13 Boulevard de la Foire, L-1528 Luxembourg

We have audited the accompanying financial statements of Triodos SICAV II – Triodos Microfinance Fund, Sub-Fund of Triodos SICAV II (the ''SICAV''), which comprise the statement of net assets as at December 31, 2015, 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 Microfinance Fund as at December 31, 2015, 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 Microfinance 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 5, 2016

KPMG Luxembourg, Société Coopérative
Cabinet de révision agréé

Jane Wilkinson
Partner

Appendix: microfinance institutions and banks in the portfolio

as at December 31, 2015 and 2014

	Number of borrowers		Percentage women	
Microfinance institution	2015	2014	2015	2014
AccessBank	125,999	157,146	19%	20%
AB Microfinance Bank Nigeria	45,567	37,927	64%	64%
AccessBank Tanzania	32,474	27,516	31%	33%
ACLEDA Bank	349,211	339,627	52%	53%
ACLEDA Bank Lao	23,764	18,685	47%	49%
Banco Ademi	236,376	217,425	50%	50%
Advans Ghana	11,261	11,702	56%	51%
AMRET	309,179	304,211	77%	79%
Arvand	36,465	32,080	41%	41%
AzerCredit	68,275	79,305	32%	34%
Bai Tushum	33,996	28,847	43%	40%
BancoSol	252,442	*	45%	*
BRAC Bank	223,225	223,225	18%	18%
BRAC Tanzania	113,959	113,959	97%	97%
Centenary Bank	170,725	155,821	24%	24%
Compartamos Financiera	260,812	238,361	75%	70%
Contactar	76,704	72,095	46%	46%
Caja Rural de Ahorro y Crédito Credinka S.A.	59,350	35,539	48%	49%
Credo	193,626	178,132	45%	45%
Crezcamos	78,376	73,369	53%	54%
EMFIL	704,953	492,067	100%	100%
Enda	262,882	246,788	66%	67%
Bank Eskhata	66,304	54,750	37%	38%
FAMA	52,827	48,044	73%	73%
Asociacion Fondo de Desarrollo	67,710	61,555	51%	50%
FINCA Azerbaijan	125,615	156,879	26%	28%
FINCA DRC	125,450	*	56%	*
FINCA Kyrgyzstan	119,748	126,537	57%	60%
First Microfinance Bank	19,025	20,236	34%	33%
Fortis Microfinance Bank plc	56,483	*	91%	*
FUNDEA	23,716	23,897	43%	43%
Génesis Empresarial	90,326	115,306	67%	65%
Grameen Koota	921,071	717,283	100%	100%
Hamkorbank	83,595	52,631	47%	36%
IMON	104,659	90,099	37%	35%
Ipak Yuli Bank	9,468	*	33%	*
Banco Itapúa	12,630	13,553	25%	25%
Janalakshmi Financial Services Private Limited	3,266,091	*	100%	*
Khan Bank LLC	392,757	*	45%	*

Loan portfolio (EUR x 1,000)		Average loan (EUR)		% clients in rural areas		Number of saving clients	
2015	2014	2015	2014	2015	2014	2015	2014
662,810	859,278	5,260	5,468	41%	13%	372,263	335,277
53,888	41,203	1,183	1,086	0%	0%	113,545	86,121
68,777	58,006	2,118	2,108	3%	0%	206,530	165,908
2,107,036	1,648,226	6,034	4,853	87%	86%	1,595,703	1,424,590
78,534	68,612	3,305	3,672	34%	53%	51,139	44,881
249,288	219,655	1,055	1,010	5%	5%	253,299	235,625
9,983	8,957	887	765	0%	0%	26,679	26,685
351,202	237,557	1,136	781	88%	88%	161,022	123,060
30,563	31,812	838	992	52%	53%	19,261	10,842
56,395	71,635	826	903	81%	82%	**	**
85,808	88,391	2,524	3,064	68%	69%	59,155	30,978
985,743	*	3,905	*	12%	*	734,756	*
1,061,788	1,061,788	4,757	4,757	33%	33%	652,031	652,031
19,941	19,941	175	175	66%	66%	**	**
228,789	245,846	1,340	1,578	28%	33%	1,109,203	1,057,181
269,303	261,544	1,033	1,097	0%	0%	8,625	5,890
50,480	52,639	658	730	84%	84%	**	**
175,486	125,773	2,957	3,539	31%	32%	49,021	42,790
146,776	136,936	758	769	74%	73%	**	**
48,776	52,501	622	716	59%	58%	**	**
164,188	102,728	233	209	68%	85%	**	**
118,252	100,225	450	406	42%	43%	**	**
135,053	135,764	2,037	2,480	37%	30%	102,569	88,545
46,757	32,002	885	666	37%	35%	**	**
76,699	61,540	1,133	1,000	69%	68%	**	**
154,149	201,836	1,227	1,287	66%	64%	**	**
65,653	*	523	*	0%	*	**	*
96,344	104,913	805	1,003	60%	59%	**	**
39,227	45,953	2,062	2,271	42%	45%	46,559	43,777
53,854	*	953	*	71%	*	140,277	*
26,940	23,508	1,136	984	77%	77%	**	**
77,459	71,831	858	623	57%	83%	**	**
225,105	146,750	244	205	72%	69%	**	**
525,234	397,247	6,283	7,548	22%	21%	138,026	114,671
106,671	111,033	1,019	1,232	63%	65%	4,852	3,772
863,247	*	91,175	*	13%	*	**	*
180,608	193,188	14,300	14,254	4%	4%	33,314	32,080
871,668	*	267	*	0%	*	**	*
1,399,369	*	3,563	*	73%	*	968,705	*

Appendix: microfinance institutions and banks in the portfolio

as at December 31, 2015 and 2014

	Number of borrowers		Percentage women	
Microfinance institution	2015	2014	2015	2014
KMF LLC	144,730	128,757	65%	67%
Kompanion	113,332	115,167	72%	76%
LOLC Micro Credit	296,124	229,364	75%	73%
Mitra Bisnis Keluarga	567,182	492,991	100%	100%
MicroCred Ivory Coast	16,350	19,638	43%	46%
MicroCred Senegal	39,446	35,287	44%	43%
PRASAC Microfinance Institution	304,668	251,112	83%	86%
Financiera ProEmpresa S.A.	52,783	**	50%	**
Edpyme Raíz	91,929	96,702	46%	47%
Sathapana	112,684	94,852	56%	58%
Small Enterprise Foundation	131,918	*	100%	*
Banco Solidario	348,464	384,990	52%	51%
Sonata	458,488	361,873	100%	100%
Utkarsh Microfinance	786,299	504,567	99%	99%
Visión Banco	230,482	242,604	44%	44%
Vistaar Financial Services	72,742	46,212	80%	83%
Vitas Jordan	12,011	7,511	59%	60%
XacBank	19,395	26,766	51%	50%

* Not financed in 2014
** Not applicable
Source: Triodos Investment Management B.V.

Loan portfolio (EUR x 1,000)		Average loan (EUR)		% clients in rural areas		Number of saving clients	
2015	2014	2015	2014	2015	2014	2015	2014
107,162	126,675	740	984	68%	66%	**	**
53,530	66,490	472	577	94%	98%	**	**
209,569	150,906	708	658	91%	0%	**	**
54,781	47,870	97	97	74%	90%	**	**
53,692	52,371	3,284	2,667	0%	0%	**	**
64,440	60,506	1,634	1,715	0%	0%	150,058	131,543
707,812	479,792	2,323	1,911	89%	89%	431,484	360,349
82,270	**	1,559	**	30%	**	**	**
149,885	143,315	1,630	1,482	11%	11%	**	**
434,404	257,352	3,855	2,713	61%	55%	127,618	87,376
16,238	*	123	*	100%	*	**	*
502,765	517,539	1,443	1,344	3%	3%	124,622	88,171
99,677	60,826	217	168	70%	72%	**	**
133,059	76,449	169	152	58%	69%	**	**
648,105	640,219	2,812	2,639	1%	1%	320,026	284,068
100,707	53,906	1,384	1,166	59%	73%	**	**
22,021	13,137	1,833	1,749	0%	0%	**	**
111,127	95,775	5,730	3,578	37%	37%	469,588	454,701

Management and administration

Board of Directors

Pierre Aeby (1956) Chairman
Chief Financial Officer and member of the Executive Board of Triodos Bank N.V.

Pierre Aeby (CFO) has been Statutory Director of Triodos Bank N.V. since 2000 and is a Member of the Executive Board of Triodos Bank N.V. He is also a Member of the Board of Stichting Triodos Holding, Statutory Director of Triodos Ventures B.V., Member of the Board of Stichting Hivos Triodos Fonds, Member of the Board of Stichting Triodos Sustainable Finance Foundation, Chair of the Board of Stichting Triodos Foundation, Director of Triodos Fonds vzw, Chair of the Boards of Triodos SICAV I and Triodos SICAV II, Member of the Board of Triodos Invest CVBA, Chair of the Board of Enclude Ltd. and Member of the Board of Vlaams Cultuurhuis De Brakke Grond. As at December 31, 2015, Pierre Aeby had 430 shares in Triodos Microfinance Fund.

M.H.G.E. van Golstein Brouwers (1958)
Managing Director of Triodos Investment Management B.V.

Marilou van Golstein Brouwers is Chair of the Management Board of Triodos Investment Management B.V. and Triodos Investment Advisory Services B.V. In addition, she is Member of the Board of Triodos SICAV II, Stichting Triodos Sustainable Trade Fund and Stichting Triodos Renewable Energy for Development Fund. Furthermore, Marilou van Golstein Brouwers is Member of the Board of the Global Impact Investing Network (GIIN), Member of the Advisory Board of the 'Fund for Rural Prosperity' of the Mastercard Foundation, Member of the Advisory Council on International Affairs Committee for Development Cooperation (AIV/COS) and Chair of the Advisory Board of Women in Financial Services in the Netherlands (WIFS). As at December 31, 2015, Marilou van Golstein Brouwers did not have shares in Triodos Microfinance Fund.

P.M. Goodman (1963)
Independent, Partner of Innpact S.à r.l.

Patrick Goodman is co-founder of Innpact S.à r.l., which provides expert consulting services in the establishment and management support of impact finance vehicles. He has in-depth understanding of all operational, financial and legal processes of investment vehicles backed by almost thirty years' experience in the banking and fund industry. He has worked amongst others at JP Morgan in Brussels, Citibank in Belgium and in Luxembourg. Since early 2003, Patrick Goodman has chosen to dedicate his career to responsible finance and impact finance, with the structuring and management support of MIVs (Microfinance Investment Vehicles) and other impact finance vehicles, whose total assets amounted to over EUR 3 billion at the end of 2015. He is also a Member of the Boards of Triodos SICAV I and Triodos SICAV II, as well as other impact finance investment funds. As at December 31, 2015, Patrick Goodman had 1,678 shares in Triodos Microfinance Fund.

O.A.M. Marquet (1957)
Managing Director of Triodos Bank N.V. (Belgian branch)

Olivier Marquet was Managing Director of the Belgian branch of Triodos Bank N.V. from 2003 until December 2015. During this period, he also served as Member of the Board of several investment funds created or managed by Triodos Bank N.V. in the field of socially responsible investments (Triodos SICAV I, SICAV II, Triodos Invest, Triodos Fonds vzw). In addition, he is Member of the Board of various associations in the field of corporate social responsibility, like Toolbox, Alterfin and United World Colleges Belgium. In 2009, he accepted to Chair the Board of the social venture fund of the King Baudouin Foundation. Olivier Marquet will continue as Member of the Board of Triodos SICAV I, SICAV II, Triodos Invest, Triodos Fonds vzw until the Annual General Shareholder Meetings in April and May 2016. As at December 31, 2015, Olivier Marquet did not have shares in Triodos Microfinance Fund.

G.R. Pieters (1958)
Independent, Associate the Directors' Office, Luxembourg

Garry Pieters is an ILA (Institut Luxembourgeois des Administrateurs) certified, independent director. He is a Member of the Boards of Triodos SICAV I and Triodos SICAV II. Furthermore, he is Money Laundering Reporting Officer (MLRO) and oversees handling of complaints. In addition, Garry Pieters is a Board Member of several other Luxembourg investment entities, including Fundsmith LLP, Astellon Capital Partners LLP and SFRE (Global Alliance for Banking on Values). He is also a Conducting Officer for the Luxembourg entities of Columbia Threadneedle and Nikko Asset Management. He has over 30 years of experience in the field of finance in particular with ING Group N.V. Amongst others he was a fund manager of a number of its Luxembourg money market and fixed income funds and Chief Executive Officer of the NN Investment Partners B.V. (formerly ING Investment Management B.V.) in Luxembourg and of its Singapore joint venture, as Senior Executive of its Korean joint venture. As at December 31, 2015, Garry Pieters did not have shares in Triodos Microfinance Fund.

Alternative Investment Fund Manager

Triodos Investment Management B.V.
Utrechtseweg 60
P.O. Box 55
3700 AB Zeist
The Netherlands

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

M.H.G.E. van Golstein Brouwers (1958)
Marilou van Golstein Brouwers is Chair of the Management Board of Triodos Investment Management B.V. and Triodos Investment Advisory & Services B.V. In addition, she is Member of the Board of Triodos SICAV II, Stichting Triodos Sustainable Trade Fund and Stichting Triodos Renewable Energy for Development Fund. Marilou van Golstein Brouwers is also Member of the Board of Global Impact Investing Network (GIIN) and the Advisory Board of the 'Fund for Rural Prosperity' launched by the Mastercard Foundation, Chair of the Advisory Board of Women in Financial Services in the Netherlands (WIFS) and Member of the Advisory Council on International Affairs Committee for Development Cooperation (AIV/COS). As at December 31, 2015, Marilou van Golstein Brouwers did not have shares in Triodos Microfinance Fund.

D.J. van Ommeren (1967) (as of February 1, 2016)
Dick van Ommeren is Director at Triodos Investment Management B.V. and Triodos Investment Advisory & Services B.V. As at December 31, 2015, Dick van Ommeren did not have shares in Triodos Microfinance Fund.

L.L. Pool (1968)
Laura Pool is Director Risk and Finance at Triodos Investment Management B.V. and Triodos Investment Advisory & Services B.V. She is also Member of the Supervisory Board of ECN (Energy Research Centre of the Netherlands) and Member of the Board of NVFE (Dutch Association of Financial Executives). As at December 31, 2015, Laura Pool did not have shares in Triodos Microfinance Fund.

Distributor

Triodos Investment Management B.V.
Utrechtseweg 60
P.O. Box 55
3700 AB Zeist
The Netherlands

Registered Office

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

Depositary, Paying Agent, Domiciliary, Corporate and Administrative Agent

RBC Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Registrar and Transfer Agent

RBC Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Réviseur d'Entreprises Agréé

KPMG Luxembourg, Société Coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal Advisor in Luxembourg

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

Fund Manager

Femke Bos has been Fund Manager of Triodos Microfinance Fund since the funds' inception in 2009. With over 14 years of investment management experience in the microfinance sector, particularly in Asia, she has cultivated a wealth of knowledge and expertise in the industry. Throughout her career, Femke Bos has served on the Board of Directors and key committees of several microfinance institutions, from start-ups to well-established fully-fledged banks. Prior to joining Triodos Bank in 2002 as a Senior Investment Officer and later as Fund Manager for Triodos Sustainable Finance Foundation, she held several management positions with ABN AMRO Bank in the Netherlands. As at December 31, 2015, the fund manager did not have shares in Triodos Microfinance Fund.

Rated by: LUXFLAG microfinance

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 Microfinance Fund annual report 2015

Published
April 2016

Text
Triodos Investment Management, Zeist, The Netherlands

Photography
Photos in this annual report have been provided by microfinance institutions in which Triodos Microfinance Fund invests.

Design
Michael Nash Associates, London, United Kingdom

Layout
Via Bertha, Utrecht, The Netherlands

Printing
Drukkerij Pascal, Utrecht, The Netherlands

Circulation
100 copies

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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.com.

Triodos Investment Management