Triodos Microfinance Fund

Semi-annual report June 2016

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 Semi-annual report June 2016

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

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

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

Key figures

(amounts in EUR)	1st half 2016	1st half 2015	2015	2014	2013
Total assets (end of reporting period)	333,604,752	269,979,974	305,021,074	230,360,421	164,425,869
Net assets (end of reporting period)	323,309,246	256,955,219	290,558,880	220,383,152	163,470,832
Income	8,480,780	8,243,958	17,371,442	11,646,611	7,964,260
Expenses	3,123,023	2,387,710	5,375,167	4,166,043	3,281,801
Net operating gain	5,357,757	5,856,248	11,996,275	7,480,568	4,682,459
Realised and unrealised gains/losses on investments, swaps and foreign exchange contracts	(4,255,799)	1,457,603	(3,598,014)	4,994,123	4,648,688
Net result	1,101,958	7,313,851	8,398,261	12,475,691	9,331,147
Ongoing charges per share class*					
B-cap (EUR)	2.59%	2.68%	2.67%	2.05%	2.72%
B-dis (EUR)	2.65%	2.74%	2.71%	2.04%	2.80%
I-cap (EUR)	1.97%	1.98%	1.97%	2.50%	2.05%
I-dis (EUR)	1.97%	1.97%	1.96%	2.57%	2.03%
R-cap (EUR)	2.65%	2.71%	2.73%	2.64%	2.84%
R-dis (EUR)	2.67%	2.72%	2.78%	2.63%	2.82%
Z-cap (EUR)	2.15%	2.18%	2.16%	2.35%	2.29%
Z-dis (EUR)	2.16%	2.17%	2.15%	2.34%	2.27%
KB-cap (GBP)****	2.64%	2.64%	2.67%	2.63%	2.67%
KB-dis (GBP)****	2.64%	2.67%	2.69%	2.64%	2.79%
KI-dis (GBP)****	1.97%	1.96%	1.94%	2.02%	2.03%
KR-dis (GBP)****	2.64%	2.65%	2.69%	2.72%	2.65%
KZ-cap (GBP)****	2.18%	2.18%	2.13%	2.70%	2.20%
KZ-dis (GBP)****	2.18%	2.19%	2.13%	2.27%	2.10%

Net asset value (NAV) per share**

(amounts in EUR or GBP)	June 30, 2016	June 30, 2015	December 31, 2015	December 31, 2014	December 31, 2013
B-cap (EUR)	34.37	33.97	34.09	33.24	31.57
B-dis (EUR)	28.51	28.19	28.28	28.98	28.35
I-cap (EUR)	36.19	35.54	35.79	34.64	32.68
I-dis (EUR)	28.80	28.30	28.50	29.18	28.57
R-cap (EUR)	34.28	33.89	34.00	33.16	31.49
R-dis (EUR)	28.54	28.22	28.31	29.01	28.39
Z-cap (EUR)	28.03	27.58	27.75	26.91	25.45
Z-dis (EUR)	26.44	26.02	26.18	26.77	25.45
KB-cap (GBP)****	26.64	26.18	26.33	25.63	24.33
KB-dis (GBP)****	22.97	22.58	22.71	23.06	22.53
KI-cap (GBP)****	–	–	–	–	26.12
KI-dis (GBP)****	22.24	21.71	21.91	22.24	21.71
KR-cap (GBP)****	–	–	–	–	24.38
KR-dis (GBP)****	22.16	21.79	21.90	22.25	21.72
KZ-cap (GBP)****	22.80	22.30	22.49	21.78	20.57
KZ-dis (GBP)****	21.47	21.00	21.15	21.48	20.54

Return based on NAV per share **

	6-month return	1-year return	3-year return p.a.	5-year return p.a.	Return p.a. since inception
B-cap (EUR)	0.8%	1.2%	3.7%	5.5%	4.6%
B-dis (EUR)	0.8%	1.1%	3.7%	5.5%	4.6%
I-cap (EUR)	1.1%	1.8%	4.5%	6.3%	5.2%
I-dis (EUR)	1.1%	1.8%	4.5%	6.3%	5.2%
R-cap (EUR)	0.8%	1.2%	3.7%	5.5%	4.6%
R-dis (EUR)	0.8%	1.1%	3.7%	5.5%	4.6%
Z-cap (EUR)	1.0%	1.6%	4.2% ***	5.8% ***	4.8% ***
Z-dis (EUR)	1.0%	1.6%	4.2% ***	5.8% ***	4.8% ***
KB-cap (GBP)****	1.2%	1.8%	4.0%	5.6%	4.7%
KB-dis (GBP)****	1.1%	1.7%	4.0%	5.5%	4.5%
KI-dis (GBP)****	1.6%	2.5%	4.8%	6.4%	5.3%
KR-dis (GBP)****	1.2%	1.7%	4.0%	5.7%	4.6%
KZ-cap (GBP)****	1.4%	2.2%	4.5%	5.9% ***	4.9% ***
KZ-dis (GBP)****	1.5%	2.2%	4.5% ***	5.9% ***	4.7% ***

* 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 per June 30, 2016, i.e. the last price at which shares were traded in the reporting period.
*** The Z-share class and KZ-share class have a limited history. Returns prior to the launch date of the Z-share class and the KZ share class are based on the returns of the comparable R-share class and KB-share class.
**** The GPB-denominated share classes are hedged against the euro.

General information

Legal structure

Triodos Microfinance Fund (the 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 the British pound share classes for retail, private banking and institutional investors.

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

Investment policy

Triodos Microfinance Fund primarily invests, either directly or indirectly, in microfinance institutions (MFIs), small- and medium-sized enterprise (SME) banks and other relevant financial institutions with a good track record that 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 of qualifying financial institutions. The investment amount per investment project is assumed to be typically between EUR 1 million and EUR 10 million, but is bound by restrictions on single client exposure and other investment restrictions as presented in the prospectus. The fund will generally take minority equity positions in its investee companies. The fund's investments are denominated in US dollars, euros and/or local currencies. Investments in US dollar, and to a certain extent local currency denominated instruments, may be hedged where possible, where deemed appropriate, and economically viable.

Alternative Investment Fund Manager

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

The Management Board of Triodos Investment Management consists of:
Marilou van Golstein Brouwers (Chair)
Dick van Ommeren (as of February 1, 2016)
Laura Pool

Fund manager

Triodos Investment Management appointed Femke Bos as fund manager of Triodos Microfinance Fund in 2009.

Depositary

RBC Investor Services Bank S.A. (RBC Investor Services Bank) has been appointed as depositary for Triodos SICAV II. Additionally, RBC Investor Services Bank acts as custodian, paying agent, domiciliary, corporate and administrative agent, and registrar and transfer agent for Triodos SICAV II.

Board of Directors

The Board of Directors consists of:
Garry Pieters (Chair as of June 24, 2016)
Pierre Aeby (Chair until June 24, 2016)
Monique Bachner (as of April 27, 2016)
Marilou van Golstein Brouwers
Patrick Goodman
Olivier Marquet (until April 27, 2016)

Fund report

In the first six months of 2016, the total assets of Triodos Microfinance Fund increased by 9.4% to EUR 333.6 million (at year-end 2015: EUR 305.0 million). The fund's portfolio, including all interest positions, reached a size of EUR 239.0 million (at year-end 2015: EUR 239.6 million), which represents 71.7% of the fund's total assets (at year-end 2015: 78.6%). Triodos Microfinance Fund further expanded its portfolio to include 54 MFIs, 12 SME banks, three microfinance holding companies and one investment fund across 34 countries in Latin America, Asia, Africa, the Middle East and Eastern Europe by the end of the reporting period. The return of the euro denominated institutional share classes for the first six months of 2016 amounted to 1.1%. The net result for this reporting period amounted to EUR 1.1 million (first six months of 2015: EUR 7.3 million).

323.3 EUR million

fund's net assets by the end of June 2016

Market developments

Developing countries and emerging markets on average continued to grow modestly in the first half of 2016, with significant differences between countries. Countries in East Asia and Pacific and South Asia maintained their high rates of growth, while the Central Asian region showed poor or even negative growth. Commodity prices recovered to some extent in the first half of 2016, with the oil price even gaining 22%, but coming from a very low level. Times remain difficult for countries that depend on commodity exports.

At the end of June 2016, financial markets were startled by the outcome of the Brexit referendum in the United Kingdom, with a majority voting to leave the EU. This caused downward pressure on the British pound and the euro, but the emerging markets currencies in the fund's portfolio were not significantly impacted. Still, given substantial currency weakening at the start of the year, most currencies in the fund's portfolio stand lower against the euro on June 30, 2016, than they did on January 1, 2016. A specific currency event was the cancellation of the Nigerian naira's peg to the US dollar. As a result, the currency lost 31% against the euro during the first half of 2016. The Tunisian dinar also weakened markedly in the first six months of 2016. In the Central Asia region currency volatility was relatively high, but most currencies ended the first half of 2016 close to their end-2015 levels. The exception is the Tajik somoni, which weakened by almost 16% against the euro in the first half of 2016. The costs of currency hedging remained high and impacted the fund's return.

Market developments in the sector

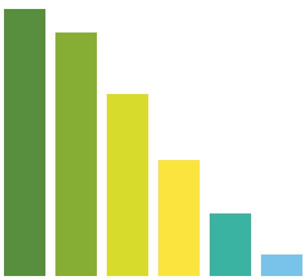
In September 2015, in follow-up to the Millennium Development Goals, the United Nations adopted the 2030 Agenda for Sustainable Development along with a set of goals called the Sustainable Development Goals (SDGs). The agenda outlines 17 goals, from ending poverty and inequality, to ensuring healthy lives and wellbeing, education, sanitation and clean water. Although the goals do not specifically cover financial inclusion, research conducted by the Consultative Group to Assist the Poor (CGAP) in April 2016 highlighted the role of financial inclusion as enabler for the achievement of many of these goals, particularly SDG 1 (Eliminating extreme poverty), SDG 2 (Reducing hunger and promoting food security), SDG 3 (Achieving good health and well-being), SDG 4 (Fostering quality education) and SDG 5 (Promoting gender equality). Access to financial services will allow people to build businesses, send their children to school, make larger investments in agriculture and create a financial buffer for emergency needs.

The strong link between financial inclusion and sustainable development demonstrates the critical need for both the public and private sectors to rigorously promote greater access to financial products and services for the underserved. Besides providing greater access, efforts to modernise the sector will also serve as an essential way to promote financial inclusion, as digital payments and cash transfers, for example, can eliminate the physical need to transmit cash and thereby advance financial inclusion, which improves efficiency and ensures the safety of clients by reducing the amount of cash that they carry.

Fund data, June 30, 2016

Total assets	EUR 333,604,752
Net assets	EUR 323,309,246
Portfolio value	EUR 239,036,579
Number of investment funds	1
Number of SME Banks	12
Number of MFIs	54
Number of microfinance holdings	3
Number of loans	96
Number of subordinated loans	10
Number of equity investments	12
Number of countries	34

Geographical allocation (% of fund's total assets), June 30, 2016



Investments

In the first six months of 2016, the value of Triodos Microfinance Fund's investment portfolio decreased by 0.3% to EUR 239.0 million, or 71.7% of the fund's total assets (December 31, 2015: 78.6%). The fund placed EUR 29.5 million in new loans, subordinated loans and equity with 17 financial institutions. The fund added seven new institutions to the portfolio, four of which are located in India. The fund realised one new equity investment in an innovative SME financier in India, IntelleGrow.

NeoGrowth, India (new debt)
NeoGrowth Credit (NeoGrowth) is a credit-only non-bank financial institution in India that provides short-term financing to small- and medium-sized retailers linked to the amount of card transactions made by the retailers. The company operates on the basis of the Merchant Cash Advance (MCA) model, structuring its loans to retail merchants as a short-term arrangement in exchange for an agreed-upon percentage of future credit card or debit card transactions. The company serves 970 borrowers, mainly in the lower segment of micro and small retailers, where access to finance is particularly difficult to obtain. Of the loans that NeoGrowth has provided, 21% were extended to clients who previously did not have access to the formal credit system. An exclusion list prohibits the company to serve clients that do business in harmful sectors. NeoGrowth is a good fit with Triodos Microfinance Fund, being a niche player in SME financing focusing solely on micro and small- and medium-sized enterprises (MSMEs) and utilising an innovative model to provide its services.

Angkor Microfinance Kampuchea, Cambodia (new debt)
Angkor Microfinance Kampuchea (AMK) serves the lower economic segments in Cambodia and focuses mainly on poor households in rural areas. The institution has a very strong geographical presence in remote areas and a strong social focus. It is one of the leading microfinance institutions focusing on sustainability. AMK runs 147 branches and covers about 98% of the



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.



country's villages. As per December 2015, AMK serviced 327,573 borrowers, 82% of whom were female and 96% of whom were living in rural areas. The loan portfolio has a size of USD 128 million.

Desyfin, Costa Rica (new debt)
Financiera Desyfin, S.A. (Desyfin) is a financial institution in Costa Rica that primarily focuses on the SME sector, offering a wide range of products and services to clients. The company's ambition is to become the country's leading financial institution specialising in SMEs focusing on renewable energy and food and agriculture. Desyfin emphasises long-term relationships with clients as well as social and environmental responsibility. Costa Rica is a front-runner in renewable energy and Desyfin finances many SMEs that are involved in renewable energy. As at June 30, 2016, the organisation had a loan portfolio of USD 192.8 million, servicing 2,616 borrowers and 3,966 savings clients. Triodos Microfinance Fund has provided a subordinated loan to Desyfin to strengthen the institution's capital and to provide long-term support for the realisation of the company's strategic plans.

Diaconía, Bolivia (new debt)
Fundación Diaconía – Fondo Rotativo de Inversión y Fomento (Diaconía) - is a non-governmental organisation in Bolivia. Based in El Alto, Diaconía focuses on providing access to finance in the country's most rural and poorest areas, such as El Alto, Oruro and Potosi. It also emphasises environmental protection and adaptation to climate change, educating its clients in the process. Triodos Microfinance Fund disbursed the loan to Diaconía to support its ambition to increase its outreach. As at March 31, 2016, Diaconía had a loan portfolio of USD 115 million and close to 68,000 active clients.

Annapurna Microfinance, India (new debt)
Annapurna Microfinance is a non-banking financial institution that provides credit and insurance to female entrepreneurs in rural and urban areas of Eastern and Central India. Annapurna Microfinance uses the group lending model, which encourages women to assume joint liability. This means that they hold each other accountable for the loan repayment and contributes to the success of their individual businesses. By providing financial and non-financial services, such as guidance on running a business in addition to credit support, women are enabled to improve their socio-economic well-being. The financing from Triodos Microfinance Fund aims to grow Annapurna's agricultural activities and to assist the institution in developing the agricultural product offering. As at the end of December 2015, Annapurna Microfinance had 488,014 loan clients and a loan portfolio of almost USD 100 million.

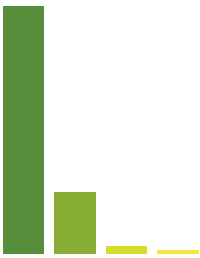
Shubham, India (new debt)
Shubham Housing Development Finance Company Private Limited (Shubham) provides retail home loans to low-income borrowers. Its primary products are mortgages, home-improvement loans and loans against property. Shubham focuses on rural, self-employed or micro-entrepreneur customers who are moving away from being tenants to becoming owners. This also opens the door for further financial inclusion, as banks only provide credit to people who already own property. Moreover, the rental money that clients save now goes towards the equity of their home, which can be used to save for retirement. As at December 31, 2015, Shubham's loan portfolio amounted to USD 84.2 million. Shubham marks an important milestone for Triodos Microfinance Fund, as the first investment in the affordable housing finance space, which fits in well with the fund's focus on financial inclusion.

IntelleGrow, India (new equity)
Triodos Microfinance Fund has purchased an 8.2% equity stake in IntelleGrow, one of the first credit-only non-bank financial institutions in India focusing on providing early-stage debt to SMEs, with a clear focus on impact-related themes. IntelleGrow finances companies that provide products or services to the underserved bottom of the pyramid in India, focusing on financial inclusion (36%), healthcare (25%), clean energy (11%) and (sustainable) agriculture (6%). The other 22% is divided between water & sanitation, education and livelihood. Based on the latest data, the company had 65 SME clients and managed a loan portfolio of

EUR 19 million. IntelleGrow is a good fit with Triodos Microfinance Fund, since it is a first mover in SME finance in sustainable sectors focused on the bottom of the pyramid. A senior representative of Triodos Investment Management will join the board of directors.

Asset allocation
(% of fund's total assets), June 30, 2016

Types of institutions
(% of fund's total assets), June 30, 2016



Five largest outstanding positions
(% of fund's total assets), June 30, 2016

Institution	Country	Percentage
ACLEDA Bank	Cambodia	10.1%
Banco Pichincha	Ecuador	3.4%
Credo	Georgia	3.4%
BancoSol	Bolivia	2.5%
Visión Banco	Paraguay	2.0%

Results

Financial results

The net result of Triodos Microfinance Fund over the first six months of 2016 amounted to EUR 1.1 million (first six months of 2015: EUR 7.3 million). The fund received dividend income amounting to EUR 0.7 million from four investees. The interest income of the fund increased to EUR 7.6 million, in line with the growth of the fund's debt investment portfolio.

The fund realised a gain on a share buyback from the India Financial Inclusion Fund, which is currently in its exit phase, selling two microfinance institutions.

Triodos Microfinance Fund realised a net loss of EUR 1.3 million on its realised and unrealised foreign exchange contracts and swaps during the reporting period, due to the depreciation of the euro relative to the US dollar and local currencies. This led to a decline in value of the foreign exchange hedge contracts.

The net change in unrealised value was EUR -4.6 million for both debt and equity investments. This amount includes, amongst others, EUR 1.3 million in provisions and EUR 6.7 million in unrealised foreign exchange loss. Total operating expenses in the first half of 2016 were EUR 3.1 million (first half of 2015: EUR 2.4 million). The majority of these expenses relates to the management, distribution and service fees.

Provisions

The fund has established additional provisions for loans to MFIs in Azerbaijan and Bosnia Herzegovina, given the further deterioration of their performance and the ongoing poor macro-economic situation. Total provisions for loans outstanding amount to 1.52% of the fund's total assets.

Return

The return on the euro-denominated institutional share classes over the first six months of 2016 amounted to 1.1% (first six months of 2015: 2.6%). The lower-than-expected return is due to continued

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

Share class	6-month return	1-year return	3-year return p.a.	5-year return p.a.	Return p.a. since inception
B-cap (EUR)	0.8%	1.2%	3.7%	5.5%	4.6%
B-dis (EUR)	0.8%	1.1%	3.7%	5.5%	4.6%
I-cap (EUR)	1.1%	1.8%	4.5%	6.3%	5.2%
I-dis (EUR)	1.1%	1.8%	4.5%	6.3%	5.2%
R-cap (EUR)	0.8%	1.2%	3.7%	5.5%	4.6%
R-dis (EUR)	0.8%	1.1%	3.7%	5.5%	4.6%
Z-cap (EUR)	1.0%	1.6%	4.2% **	5.8% **	4.8% **
Z-dis (EUR)	1.0%	1.6%	4.2% **	5.8% **	4.8% **
KB-cap (GBP)***	1.2%	1.8%	4.0%	5.6%	4.7%
KB-dis (GBP)***	1.1%	1.7%	4.0%	5.5%	4.5%
KI-dis (GBP)***	1.6%	2.5%	4.8%	6.4%	5.3%
KR-dis (GBP)***	1.2%	1.7%	4.0%	5.7%	4.6%
KZ-cap (GBP)***	1.4%	2.2%	4.5%	5.9% **	4.9% **
KZ-dis (GBP)***	1.5%	2.2%	4.5% **	5.9% **	4.7% **

* NAV per share is based on share prices as per June 30, 2016, i.e. the last price at which shares were traded in the reporting period.
** The Z-share class and KZ-share class have a limited history. Returns prior to the launch date of the Z-share class and the KZ share class are based on the returns of the comparable R-share class and KB-share class.
*** The GPB-denominated share classes are hedged against the euro.

volatility of the foreign exchange markets, high hedging costs, the relatively high liquidity position of the fund and the additional provisions the fund has had to establish for part of the loan portfolio. Differences in performance between share classes are mainly attributable to the different cost bases.

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. On June 30, 2016, 28.4% of the net assets were held in cash and cash equivalents (December 31, 2015: 21.6%). The cash position remained relatively high despite a considerable amount of new investments. During the first six months of 2016, the fund received repayments from a number of MFIs in Central Asian countries. Given the ongoing deterioration of the macro-economic situation in the region, the fund seeks to actively reduce its exposure there.

Costs

The largest item in the cost structure of Triodos Microfinance Fund is the management fee paid to the investment manager, Triodos Investment Management. Triodos Investment Management uses this fee primarily to cover staff-related costs, including travel expenses incurred in connection with providing new finance facilities and managing existing finance facilities. Other costs include those paid to RBC Investor Services Bank for their depositary and administrative services.

The ongoing charges for Triodos Microfinance Fund, which include the management fee, ranged from 1.97% to 2.00% for the institutional share classes and from 2.15% to 2.67% for the other share classes. More detailed information on management fees and ongoing charges can be found on pages 32 and 38.

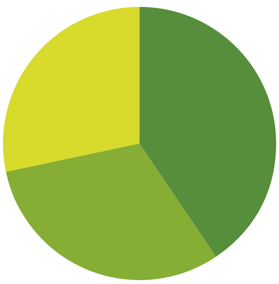
Risks

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 restricting the fund's investments denominated in unhedged local currencies to a maximum of 60% of the fund's total assets. In the first six month of 2016, the volatility of the global foreign exchange markets eased somewhat. The costs of hedging, however, remained high.

Exposure by currency (% of fund's total assets), June 30, 2016



Liquidity risk

As Triodos Microfinance Fund is a semi open-end fund, it may face large redemptions on each 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 the 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 net assets in cash or cash equivalents or arrange sufficient other guarantees. On June 30, 2016, the fund held 28.4% of its net assets in cash and cash equivalents (on December 31, 2015: 21.6%). During the first six months of 2016, Triodos Microfinance Fund received repayments of maturing loans representing 6.10% of the fund's total assets, which added to the 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 may be suffering an economic recession, with perhaps high and rapidly fluctuating inflation, countries that often have poorly developed legal systems 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 any one country at 20% of its total assets. On June 30, 2016, the country with the highest exposure was Cambodia, where 12.8% of the fund's total assets are invested. This is the same as at year-end 2015, when Cambodia also represented the largest single-country exposure, at 12.8% of the fund's total assets. Country risks are mitigated by diversifying the geographical exposure across a larger number of countries. In the first six months of 2016, Triodos Microfinance Fund added one new country to the portfolio: Costa Rica. The country risks with regards to Azerbaijan, Tajikistan and Kyrgyzstan remained high due to the deterioration of the macro-economic situation brought about by low oil prices and the contraction of the Russian economy. The fund is closely monitoring the situation and has reduced its exposures to countries in this region by actively diminishing positions on the basis of voluntarily repayments and by not renewing loans.

Top ten country allocation (% of fund's total assets), June 30, 2016

Cambodia	12.8%
India	9.7%
Ecuador	4.1%
Paraguay	3.6%
Kyrgyzstan	3.4%
Georgia	3.4%
Tajikistan	3.3%
Bolivia	2.9%
Mongolia	2.9%
Peru	2.4%
Total top 10	**48.5%**

Credit risk

The fixed-income portfolio (including interest) represented 53.6% of the fund's total assets in the first six months of 2016 (at year-end 2015: 60.8%). 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. The concentration risk is mitigated by limiting the single obligor exposure to 15% of the fund's total assets. On June 30, 2016, the weighted average PAR over thirty days stood at 5.9% (at year-end 2015: 4.7%). The fund continued to notice an increase in the PAR of financial institutions in Central Asia as a result of the deterioration of the macro-economic situation in those countries. The fund has established provisions for part of the loans outstanding to three MFIs in Azerbaijan. The fund is closely monitoring the situation in Central Asia and has established provisions for loans outstanding in the region, representing a total of 0.8% of the fund's total assets (at year-end 2015: 0.5%). As per June 30, 2016 the fund's exposure in Azerbaijan, Tajikistan, Kazakhstan and Kyrgyzstan is 10.6% of the fund's total assets (at year-end 2015: 14.3%).

Valuation risk

Valuation risk refers to the risk that the values of assets do not reflect their fair market value because valuations are based on infrequent market-based data, assumptions and peer group comparisons. As 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

According to the IMF, aggregate economic growth in emerging markets is expected to reach 4% this year, the lowest level since the onset of the global crisis. Growth continues to be weighed down by relatively low commodity prices, although the prices of oil and some categories of metals and agricultural commodities have recovered to some extent. Some of the countries where the fund is active will continue to be confronted with the consequences of low commodity prices and weaker growth prospects. Also the volatility of the foreign exchange markets and the high hedging costs look set to continue.

In the remainder of the year, Triodos Microfinance Fund expects to make new investments, in particular in Asian and Latin American countries where the macro-economic situation and demand for financial services remain relatively robust. The fund will continue to build out its portfolio with microfinance institutions and players that target the underserved SME sector.

Additional Information Triodos SICAV II

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 AIFMD.

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 aimed at identifying, measuring, mitigating, monitoring, reporting and evaluating 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 programme that includes periodic risk and control self-assessment. Triodos Investment Management is committed to continuously enhancing the effectiveness and controllability of its processes as alternative investment fund manager of the fund. For further details about the operational risks within the alternative investment fund manager, please refer to the annual report of Triodos Investment Management.

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 risks are 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 so as 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 the level of the investment manager.

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.

Luxembourg, August 25, 2016
The Board of Directors of Triodos SICAV II

Garry Pieters (Chair)
Pierre Aeby
Monique Bachner
Marilou van Golstein Brouwers
Patrick Goodman

Statement of net assets as per June 30, 2016

(amounts in EUR)	Notes	June 30, 2016	December 31, 2015	June 30, 2015
Assets				
Fixed assets				
Investment in financial assets	2	234,501,365	235,254,899	220,032,256
Historic cost: EUR 209,529,964 as at June 30, 2016; EUR 205,679,701 as at December 31, 2015; EUR 188,378,897 as at June 30, 2015)				
Current assets				
Cash and cash equivalents		94,528,004	65,337,173	40,678,431
Interest receivable	2	4,535,214	4,388,833	4,781,762
Other current assets		40,169	40,169	4,487,525
Total assets		**333,604,752**	**305,021,074**	**269,979,974**
Liabilities				
Liabilities due within one year				
Net unrealised loss on swap contracts	10	635,942	1,049,257	1,949,238
Net unrealised loss on forward foreign exchange contracts	9	8,000,055	9,570,478	9,706,927
Investment management, distribution and service fees payable	5	1,495,511	1,381,468	1,190,872
Accounts payable and accrued expenses	8	163,998	2,460,991	177,718
Total liabilities		**10,295,506**	**14,462,194**	**13,024,755**
Net assets		**323,309,246**	**290,558,880**	**256,955,219**

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Statement of operations for the period ended June 30, 2016

(amounts in EUR)	Notes	1st half year, 2016	2015	1st half year, 2015
Income				
Dividend income	2	662,624	1,506,020	594,302
Interest on loans	2	7,626,475	15,550,883	7,472,738
Bank interest		3,274	4,652	2,372
Other income	6	188,407	309,887	174,546
Total income		**8,480,780**	**17,371,442**	**8,243,958**
Expenses				
Investment management, distribution and service fees	5	2,860,732	4,852,750	2,236,859
Administrative and depositary fees	4	175,346	321,384	121,294
Audit and reporting expenses		31,220	65,542	21,778
Interest paid		5,062	10,021	5,205
Other expenses	7	50,663	125,470	2,574
Total expenses		**3,123,023**	**5,375,167**	**2,387,710**
Net operating income		**5,357,757**	**11,996,275**	**5,856,248**
Realised gain on investments		2,917,037	2,207,311	2,001,444
Realised loss on investments		(1,185,730)	(151,247)	(3,754)
Realised gain on swaps		32,785	262,322	32,785
Realised loss on swaps		(388,592)	(103,453)	(64,973)
Realised gain on forward foreign exchange contracts		3,228,835	4,583,824	2,228,236
Realised loss on forward foreign exchange contracts		(6,163,310)	(17,384,119)	(10,411,112)
Realised gain on foreign exchange		195,796	973,092	364,263
Realised loss on foreign exchange		(272,561)	(759,475)	(504,746)
Change in net unrealised appreciation on investments		–	8,715,552	10,793,711
Change in net unrealised depreciation on investments		(4,603,797)	–	–
Change in net unrealised appreciation on swap contracts		413,315	–	–
Change in net unrealised depreciation on swap contracts		–	(1,162,816)	(2,062,797)
Change in net unrealised appreciation on forward foreign exchange contracts		2,195,083	–	241,234
Change in net unrealised depreciation on forward foreign exchange contracts		(624,660)	(779,005)	(1,156,688)
Net increase in net assets resulting from operations		**1,101,958**	**8,398,261**	**7,313,851**

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Statement of changes in net assets for the period ended June 30, 2016

(amounts in EUR)	1st half year, 2016	2015	1st half year, 2015
Operations			
Net operating income	5,357,757	11,996,275	5,856,248
Realised gain on investments	2,917,037	2,207,311	2,001,444
Realised loss on investments	(1,185,730)	(151,247)	(3,754)
Realised gain on swaps	32,785	262,322	32,785
Realised loss on swaps	(388,592)	(103,453)	(64,973)
Realised gain on forward foreign exchange contracts	3,228,835	4,583,824	2,228,236
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Realised loss on foreign exchange	(272,561)	(759,475)	(504,746)
Change in net unrealised appreciation on investments	–	8,715,552	10,793,711
Change in net unrealised depreciation on investments	(4,603,797)	–	–
Change in net unrealised appreciation on swap contracts	413,315	–	–
Change in net unrealised depreciation on swap contracts	–	(1,162,816)	(2,062,797)
Change in net unrealised appreciation on forward foreign exchange contracts	2,195,083	–	241,234
Change in net unrealised depreciation on forward foreign exchange contracts	(624,660)	(779,005)	(1,156,688)
Net increase in net assets resulting from operations	**1,101,958**	**8,398,261**	**7,313,851**
Capital transactions			
Capital subscriptions			
I Capitalisation Share Class (EUR)	15,351,170	43,534,012	24,681,971
I Distribution Share Class (EUR)	4,973,739	7,348,811	4,113,989
B Capitalisation Share Class (EUR)	–	82,273	82,273
B Distribution Share Class (EUR)	361,245	278,820	16,700
R Capitalisation Share Class (EUR)	4,712,259	3,630,026	1,356,224
R Distribution Share Class (EUR)	4,491,374	4,901,237	1,198,377
K-Institutional Distribution Share Class (GBP)	116,828	486,785	154,724
K-B Distribution Share Class (GBP)	–	29,675	29,675
K-Retail Distribution Share Class (GBP)	–	10,112	10,112
K-Z Capitalisation Share Class (GBP)	110,867	–	–
K-Z Distribution Share Class (GBP)	25,398	2,809,285	20,251
Z Capitalisation Share Class (EUR)	124,838	670,476	518,822
Z Distribution Share Class (EUR)	4,510,085	12,176,206	7,921,517
Total subscriptions	**34,777,803**	**75,957,718**	**40,104,635**

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Statement of changes in net assets for the period ended June 30, 2016

(amounts in EUR)	1st half year, 2016	2015	1st half year, 2015
Capital redemptions			
I Capitalisation Share Class (EUR)	(1,425,858)	(4,726,613)	(2,383,189)
I Distribution Share Class (EUR)	(27,792)	–	–
B Capitalisation Share Class (EUR)	–	(152,163)	(36,121)
B Distribution Share Class (EUR)	(152,894)	(103,338)	(46,998)
R Capitalisation Share Class (EUR)	(160,048)	(272,783)	(268,652)
R Distribution Share Class (EUR)	(18,151)	(57,145)	(57,145)
K-Institutional Distribution Share Class (GBP)	(70,974)	(91,807)	(58,398)
K-B Capitalisation Share Class (GBP)	(3,365)	(88,023)	(85,284)
K-Z Distribution Share Class (GBP)	(12,380)	–	–
Z Capitalisation Share Class (EUR)	–	(116,686)	–
Z Distribution Share Class (EUR)	(1,213,175)	(1,766,252)	(1,105,191)
Total redemptions	**(3,084,637)**	**(7,374,810)**	**(4,040,978)**
Net increase in net assets resulting from capital transactions	**31,693,166**	**68,582,908**	**36,063,657**
Net assets			
Net assets at the beginning of the year	290,558,880	220,383,152	220,383,152
Total increase in net assets	32,795,124	76,981,169	43,377,508
Dividend distribution	(44,758)	(6,805,441)	(6,805,441)
Net assets at the end of the period/year	**323,309,246**	**290,558,880**	**256,955,219**

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Cash flow statement
for the period ended June 30, 2016

(amounts in EUR)	1st half year, 2016	2015	1st half year, 2015
Cash provided by operating activities			
Profit after taxation	1,101,958	8,398,261	7,313,851
(-) (increase) in unrealised gains and losses on investments and forward foreign exchange contracts	2,620,059	(6,773,731)	(7,815,460)
(-) decrease in receivables and other assets	(146,381)	(518,659)	(5,358,944)
(+) increase/(-) decrease in payables	(2,182,950)	2,656,662	182,793
Net cash provided by operating activities	**1,392,686**	**3,762,533**	**(5,677,760)**
Cash provided by financing activities			
(+) proceeds from shares issued	34,777,803	75,957,718	40,104,635
(-) decrease from shares redeemed	(3,084,637)	(7,374,810)	(4,040,978)
(-) distributions paid to shareholders	(44,758)	(6,805,441)	(6,805,441)
Net cash provided by financing activities	**31,648,408**	**61,777,467**	**29,258,216**
Cash provided from investing activities			
(-) acquisitions of financial assets	(3,850,263)	(33,649,762)	(16,348,960)
Net cash used by investing activities	**(3,850,263)**	**(33,649,762)**	**(16,348,960)**
Cash			
Net increase in cash and cash equivalents	29,190,831	31,890,238	7,231,496
Cash at the beginning of the period/year	65,337,173	33,446,935	33,446,935
Cash at the end of the period/year	**94,528,004**	**65,337,173**	**40,678,431**

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Statement of changes in the number of shares outstanding for the period ended June 30, 2016

	1st half year, 2016	2015	1st half year, 2015
Number of Shares outstanding at the beginning of the period/year			
I Capitalisation Share Class (EUR)	3,648,560.087	2,552,340.880	2,552,340.880
I Distribution Share Class (EUR)	1,492,015.269	1,237,951.752	1,237,951.752
B Capitalisation Share Class (EUR)	11,633.275	13,670.578	13,670.578
B Distribution Share Class (EUR)	38,273.876	32,057.000	32,057.000
R Capitalisation Share Class (EUR)	358,322.076	259,233,851	259,233,851
R Distribution Share Class (EUR)	362,502.032	192,203.393	192,203.393
K-Institutional Distribution Share Class (GBP)	451,247.059	438,633.415	438,633.415
K-B Capitalisation Share Class (GBP)	24,165.500	26,635.221	26,635.221
K-B Distribution Share Class (GBP)	24,439.924	23,496.117	23,496.117
K-Retail Distribution Share Class (GBP)	16,225.830	15,892.247	15,892.247
K-Z Capitalisation Share Class (GBP)	18,203.935	18,203.935	18,203.935
K-Z Distribution Share Class (GBP)	108,777,883	13,776.912	13,776.912
Z Capitalisation Share Class (EUR)	80,480.000	60,264.000	60,264.000
Z Distribution Share Class (EUR)	2,754,098.364	2,359,792.777	2,359,792.777
Subscriptions over the period/year			
I Capitalisation Share Class (EUR)	426,490.974	1,229,567.458	700,580.637
I Distribution Share Class (EUR)	172,925.828	254,063.517	140,210.517
B Capitalisation Share Class (EUR)	–	2,433.697	2,433.697
B Distribution Share Class (EUR)	12,716.164	9,865.876	569.000
R Capitalisation Share Class (EUR)	138,073.511	107,163.280	40,394.527
R Distribution Share Class (EUR)	158,338.032	172,224.006	41,314.065
K-Institutional Distribution Share Class (GBP)	4,001.800	15,611.697	4,951.697
K-B Capitalisation Share Class (GBP)	–	–	–
K-B Distribution Share Class (GBP)	–	943.807	943.807
K-Retail Distribution Share Class (GBP)	–	333.583	333.583
K-Z Capitalisation Share Class (GBP)	3,866.288	–	–
K-Z Distribution Share Class (GBP)	908.722	95,000.971	693.848
Z Capitalisation Share Class (EUR)	4,472.883	24,430.000	18,935.000
Z Distribution Share Class (EUR)	171,851.000	460,556.587	297,503.587

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Statement of changes in the number of shares outstanding for the period ended June 30, 2016

	1st half year, 2016	2015	1st half year, 2015
Redemptions over the period/year			
I Capitalisation Share Class (EUR)	39,544.744	133,348.251	68,245.807
I Distribution Share Class (EUR)	975.000	–	–
B Capitalisation Share Class (EUR)	–	4,471.000	1,071.000
B Distribution Share Class (EUR)	5,380.000	3,649.000	1,649.000
R Capitalisation Share Class (EUR)	4,688.526	8,075.055	7,955.055
R Distribution Share Class (EUR)	638.000	1,925.367	1,925.367
K-Institutional Distribution Share Class (GBP)	2,507.532	2,998.053	1,902.998
K-B Capitalisation Share Class (GBP)	98.553	2,469.721	2,392.699
K-B Distribution Share Class (GBP)	–	–	–
K-Retail Distribution Share Class (GBP)	–	–	–
K-Z Capitalisation Share Class (GBP)	–	–	–
K-Z Distribution Share Class (GBP)	440.000	–	–
Z Capitalisation Share Class (EUR)	–	4,214.000	–
Z Distribution Share Class (EUR)	46,041.000	66,251.000	40,895.000
Number of Shares outstanding at the end of the period/year			
I Capitalisation Share Class (EUR)	4,035,506.317	3,648,560.087	3,184,675.710
I Distribution Share Class (EUR)	1,663,966.097	1,492,015.269	1,378,162.269
B Capitalisation Share Class (EUR)	11,633.275	11,633.275	15,033.275
B Distribution Share Class (EUR)	45,610.040	38,273.876	30,977.000
R Capitalisation Share Class (EUR)	491,707.061	358,322.076	291,673.323
R Distribution Share Class (EUR)	520,202.064	362,502.032	231,592.091
K-Institutional Distribution Share Class (GBP)	452,741.327	451,247.059	441,682.114
K-B Capitalisation Share Class (GBP)	24,066.947	24,165.500	24,242.522
K-B Distribution Share Class (GBP)	24,439.924	24,439.924	24,439.924
K-Retail Distribution Share Class (GBP)	16,225.830	16,225.830	16,225.830
K-Z Capitalisation Share Class (GBP)	22,070.223	18,203.935	18,203.935
K-Z Distribution Share Class (GBP)	109,246.605	108,777,883	14,470.760
Z Capitalisation Share Class (EUR)	84,952.883	80,480.000	79,199.000
Z Distribution Share Class (EUR)	2,879,908.364	2,754,098.364	2,616,401.364

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Statistics

	June 30, 2016	December 31, 2015	June 30, 2015
Total net asset value at the end of the period/year			
I Capitalisation Share Class (EUR)	146,025,255	130,576,113	113,169,669
I Distribution Share Class (EUR)	47,918,853	42,525,824	39,003,509
B Capitalisation Share Class (EUR)	399,784	396,537	510,744
B Distribution Share Class (EUR)	1,300,444	1,082,404	873,119
R Capitalisation Share Class (EUR)	16,856,705	12,184,172	9,884,874
R Distribution Share Class (EUR)	14,848,291	10,263,064	6,535,037
K-Institutional Distribution Share Class (GBP)	12,113,674	13,417,360	13,536,420
K-B Capitalisation Share Class (GBP)	771,460	863,498	895,998
K-B Distribution Share Class (GBP)	675,425	752,932	778,846
K-Retail Distribution Share Class (GBP)	432,755	482,236	498,927
K-Z Capitalisation Share Class (GBP)	605,469	555,553	573,010
K-Z Distribution Share Class (GBP)	2,821,459	3,120,806	428,898
Z Capitalisation Share Class (EUR)	2,380,906	2,233,040	2,184,067
Z Distribution Share Class (EUR)	76,158,767	72,105,341	68,082,101
	323,309,246	**290,558,880**	**256,955,219**
Net asset value per share at the end of the period/year			
I Capitalisation Share Class (EUR)	36.19	35.79	35.54
I Distribution Share Class (EUR)	28.80	28.50	28.30
B Capitalisation Share Class (EUR)	34.37	34.09	33.97
B Distribution Share Class (EUR)	28.51	28.28	28.19
R Capitalisation Share Class (EUR)	34.28	34.00	33.89
R Distribution Share Class (EUR)	28.54	28.31	28.22
K-Institutional Distribution Share Class (EUR)	26.76	29.73	30.65
K-Institutional Distribution Share Class (GBP)	(GBP 22.24)	(GBP 21.91)	(GBP 21.71)
K-B Capitalisation Share Class (EUR)	32.05	35.73	36.96
K-B Capitalisation Share Class (GBP)	(GBP 26.64)	(GBP 26.33)	(GBP 26.18)
K-B Distribution Share Class (EUR)	27.64	30.81	31.87
K-B Distribution Share Class (GBP)	(GBP 22.97)	(GBP 22.71)	(GBP 22.58)
K-Retail Distribution Share Class (EUR)	26.67	29.72	30.75
K-Retail Distribution Share Class (GBP)	(GBP 22.16)	(GBP 21.90)	(GBP 21.79)
K-Z Capitalisation Share Class (EUR)	27.43	30.52	31.48
K-Z Capitalisation Share Class (GBP)	(GBP 22.80)	(GBP 22.49)	(GBP 22.30)
K-Z Distribution Share Class (EUR)	25.83	28.69	29.64
K-Z Distribution Share Class (GBP)	(GBP 21.47)	(GBP 21.15)	(GBP 21.00)
Z Capitalisation Share Class (EUR)	28.03	27.75	27.58
Z Distribution Share Class (EUR)	26.44	26.18	26.02

The accompanying notes form an integral part of these financial statements. The figures shown in these financial statements have not been subjected to an external audit.

Notes to the financial statements

1. General

Triodos SICAV II (the ''SICAV'') has been incorporated under the laws of the Grand Duchy of Luxembourg as a "société d'investissement à capital variable" (SICAV) under the form of a "société anonyme" on April 10, 2006, for an unlimited period. Triodos SICAV II is governed by Part II of the Luxembourg Law of December 17, 2010. The SICAV is an alternative investment fund ("AIF") subject to the requirements of the Directive 2011/61/EU of June 8, 2011, on Alternative Investment Fund Managers Directive ("AIFD") as implemented in Luxembourg through the law of July 12, 2013, on alternative investment fund managers (the "Law of 2013").

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

The Articles have been deposited with the Chancery of the District Court of Luxembourg on April 27, 2006, and published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial"). The SICAV has been registered with the Companies Register of the District Court of Luxembourg under number B 115.771. The Articles were last amended at the extraordinary general meeting of shareholders held on 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 June 30, 2016, the SICAV has three sub-funds: Triodos Renewables Europe Fund, Triodos Microfinance Fund and Triodos Organic Growth Fund.

The overall objective of Triodos Microfinance 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 has 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 net asset value 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 at June 30, 2016)

- 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 out of 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.

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

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

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

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 European Venture Capital Association (EVCA), and is conducted with prudence and in good faith.

In the sub-fund Triodos Microfinance 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 relevant sub-fund on the creditworthiness of the relevant debtor. The Board of Directors uses its best endeavors to continually assess this method of valuation and recommend changes, where necessary, to ensure that debt instruments are valued at their fair value as determined in good faith by the Board of Directors.

The senior debt instruments held by the sub-fund Triodos Microfinance 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 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 euro's with due observance of the currency exchange rates most recently known.

(k) Realised and non-realised changes in the value of investments are incorporated in the profit and loss account.

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

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

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

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

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

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

(r) Equity investments of Triodos SICAV II are excluded from consolidation due to exemptions by temporary holding, size and time window.

3. Taxation

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

However, each of the SICAV's sub-funds is subject to a subscription tax (taxe d'abonnement) at an annual rate of 0.05% p.a. Such rate may be decreased to 0.01% p.a. for certain sub-funds or classes of shares which are restricted to Institutional Investors as specified in the relevant sub-fund particulars. This tax is calculated and payable quarterly on the basis of the Net Asset Value of each sub-fund at the end of each quarter. This tax is not due on that portion of the SICAV's assets invested in other Luxembourg UCIs. Since January 1, 2010 microfinance funds are no longer subject to any subscription tax. Thus subscription tax is no longer applicable for Triodos Microfinance Fund.

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

4. Administrative and depositary fees

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

The administrative and depositary fees comprise the following:

(amounts in EUR)	1st half year, 2016	2015	1st half year, 2015
Domiciliary agency fee	1,812	4,812	1,812
Administrative fee	58,704	103,314	45,175
Transfer agency fee	36,596	85,524	29,970
Depositary fee	78,234	127,734	44,337
Total	**175,346**	**321,384**	**121,294**

5. Investment management, distribution and service fees

For the services it provides, the Investment Manager is entitled to an annual fee payable quarterly and calculated as described in the relevant sub-fund's 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 part of 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.

6. Other income

The other income comprises the following:

(amounts in EUR)	1st half year, 2016	2015	1st half year, 2015
Administrative fee income on loans granted by the Fund	188,407	306,719	171,378
Other income	–	3,168	3,168
Total	**188,407**	**309,887**	**174,546**

7. Other expenses

The other expenses comprise the following:

Currency (EUR)	1st half year, 2016	2015	1st half year, 2015
Supervisory fee (CSSF)	2,000	2,000	2,000
Remuneration of the Board of Directors	6,749	10,000	5,000
Legal fees	11,956	15,510	(13,762)
Consulting fees	2,764	30,718	1,482
Bank fees	5,720	23,850	5,561
Portfolio transaction costs	4,124	(2,240)	(3,465)
Other expenses	17,351	45,632	5,758
Total	**50,663**	**125,470**	**2,574**

8. Accounts payable and accrued expenses

As at June 30, 2016, 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.

9. Forward foreign exchange contracts

As per June 30, 2016, outstanding forward foreign exchange contracts are composed of:

Maturity date	Purchase		Sale		Unrealised gain/(loss)	
05-07-16	EUR	889.858	USD	(1.000.000)	EUR	(13.196)
06-07-16	EUR	1.092.657	USD	(1.250.000)	EUR	(33.403)
07-07-16	EUR	1.133.166	USD	(1.500.000)	EUR	(219.146)
07-07-16	EUR	1.849.968	USD	(2.000.000)	EUR	46.251
07-07-16	EUR	1.387.476	USD	(1.500.000)	EUR	34.688
07-07-16	EUR	346.869	USD	(375.000)	EUR	8.672
11-07-16	GBP	641.029	EUR	(818.269)	EUR	(47.155)
11-07-16	GBP	561.304	EUR	(716.502)	EUR	(41.290)
11-07-16	GBP	10.113.585	EUR	(12.909.927)	EUR	(743.972)
11-07-16	GBP	358.425	EUR	(457.527)	EUR	(26.366)
11-07-16	GBP	501.170	EUR	(639.741)	EUR	(36.867)
11-07-16	GBP	2.308.974	EUR	(2.947.391)	EUR	(169.852)
12-07-16	EUR	281.021	USD	(378.409)	EUR	(59.518)
14-07-16	EUR	1.120.608	USD	(1.239.000)	EUR	3.616
04-08-16	EUR	1.520.681	USD	(1.750.000)	EUR	(55.156)
05-08-16	EUR	1.866.438	USD	(2.500.000)	EUR	(384.393)
05-08-16	EUR	1.114.579	USD	(1.500.000)	EUR	(235.918)
05-08-16	EUR	1.804.891	USD	(2.000.000)	EUR	4.143
05-08-16	EUR	744.518	USD	(825.000)	EUR	1.709
05-08-16	EUR	676.834	USD	(750.000)	EUR	1.554
05-08-16	EUR	891.186	USD	(1.000.000)	EUR	(9.185)
05-08-16	USD	2.000.000	EUR	(1.834.021)	EUR	(33.274)
10-08-16	EUR	1.662.935	USD	(1.894.000)	EUR	(41.935)
10-08-16	EUR	2.383.475	USD	(2.700.000)	EUR	(46.910)
10-08-16	EUR	7.680.085	USD	(8.700.000)	EUR	(151.154)
11-08-16	EUR	445.673	USD	(500.000)	EUR	(4.302)
19-08-16	EUR	894.239	USD	(982.143)	EUR	10.364
06-09-16	EUR	2.222.380	USD	(2.500.000)	EUR	(25.355)
06-09-16	EUR	1.329.163	USD	(1.500.000)	EUR	(19.484)
06-09-16	EUR	1.329.163	USD	(1.500.000)	EUR	(19.484)
06-09-16	EUR	1.773.207	USD	(2.000.000)	EUR	(24.987)
06-09-16	USD	2.000.000	EUR	(1.778.568)	EUR	19.597
13-09-16	EUR	818.151	USD	(903.472)	EUR	6.028
05-10-16	EUR	907.893	USD	(1.040.400)	EUR	(26.131)
11-10-16	EUR	4.830.605	USD	(5.518.000)	EUR	(129.576)
27-10-16	EUR	442.713	USD	(500.000)	EUR	(6.209)
04-11-16	EUR	757.805	USD	(1.000.000)	EUR	(140.153)
04-11-16	EUR	1.801.672	USD	(2.500.000)	EUR	(443.489)
04-11-16	EUR	471.725	USD	(535.714)	EUR	(9.136)
07-11-16	EUR	663.247	USD	(750.000)	EUR	(10.179)

Maturity date	Purchase		Sale		Unrealised gain/(loss)	
07-11-16	EUR	4.421.648	USD	(5.000.000)	EUR	(67.860)
08-11-16	EUR	4.433.064	USD	(5.046.600)	EUR	(98.202)
08-11-16	EUR	4.826.203	USD	(5.494.150)	EUR	(106.911)
08-11-16	USD	3.356.382	EUR	(2.931.594)	EUR	81.884
10-11-16	EUR	656.714	USD	(750.000)	EUR	(14.826)
10-11-16	EUR	875.618	USD	(1.000.000)	EUR	(19.767)
10-11-16	EUR	985.071	USD	(1.125.000)	EUR	(22.238)
10-11-16	EUR	437.809	USD	(500.000)	EUR	(9.884)
10-11-16	EUR	437.809	USD	(500.000)	EUR	(9.884)
10-11-16	EUR	656.714	USD	(750.000)	EUR	(14.826)
10-11-16	EUR	1.313.428	USD	(1.500.000)	EUR	(29.651)
17-11-16	EUR	4.955.074	USD	(5.625.000)	EUR	(93.954)
23-11-16	EUR	2.304.891	USD	(2.500.000)	EUR	65.571
06-12-16	EUR	2.912.427	USD	(4.000.000)	EUR	(674.109)
06-12-16	EUR	136.535	USD	(153.848)	EUR	(1.292)
06-12-16	EUR	182.047	USD	(205.131)	EUR	(1.723)
05-01-17	EUR	1.315.789	USD	(1.500.000)	EUR	(27.372)
06-01-17	EUR	1.228.174	USD	(1.500.000)	EUR	(113.327)
06-01-17	USD	1.500.000	EUR	(1.236.145)	EUR	104.559
07-02-17	EUR	362.043	USD	(500.000)	EUR	(84.929)
07-02-17	EUR	360.295	USD	(500.000)	EUR	(86.692)
07-02-17	EUR	543.459	USD	(750.000)	EUR	(126.997)
06-03-17	EUR	217.846	USD	(250.000)	EUR	(5.464)
06-04-17	EUR	2.179.029	USD	(2.500.000)	EUR	(49.241)
08-05-17	EUR	5.426.486	USD	(6.355.500)	EUR	(235.435)
06-06-17	EUR	1.518.027	USD	(2.000.000)	EUR	(263.911)
06-06-17	EUR	2.418.646	USD	(2.750.000)	EUR	(27.519)
06-06-17	EUR	2.925.330	USD	(3.326.100)	EUR	(33.283)
07-06-17	EUR	417.399	USD	(481.720)	EUR	(10.605)
09-06-17	EUR	1.299.151	USD	(1.500.000)	EUR	(36.082)
16-06-17	EUR	857.917	USD	(982.143)	EUR	(15.773)
20-06-17	EUR	2.375.100	INR	(237.500.000)	EUR	(626.311)
21-06-17	EUR	187.587	USD	(216.307)	EUR	(4.790)
21-06-17	EUR	650.421	USD	(750.000)	EUR	(16.610)
28-06-17	EUR	1.482.271	USD	(1.666.666)	EUR	(2.139)
28-06-17	EUR	2.223.408	USD	(2.500.000)	EUR	(3.208)
06-07-17	EUR	865.838	USD	(1.000.000)	EUR	(24.743)
07-07-17	EUR	439.696	USD	(500.000)	EUR	(3.906)
13-07-17	EUR	435.476	USD	(594.643)	EUR	(93.686)
07-08-17	EUR	755.744	USD	(1.000.000)	EUR	(133.574)
06-09-17	EUR	1.312.049	USD	(1.500.000)	EUR	(15.182)
18-09-17	EUR	2.055.324	INR	(196.000.000)	EUR	(375.973)
20-11-17	EUR	735.738	USD	(833.334)	EUR	(1.887)
05-01-18	EUR	423.908	USD	(500.000)	EUR	(16.846)

Maturity date	Purchase		Sale		Unrealised gain/(loss)	
08-01-18	EUR	1.197.533	USD	(1.500.000)	EUR	(127.482)
08-01-18	EUR	399.178	USD	(500.000)	EUR	(42.494)
08-01-18	USD	1.500.000	EUR	(1.213.899)	EUR	108.491
08-01-18	USD	500.000	EUR	(404.633)	EUR	36.164
12-01-18	EUR	648.088	USD	(891.964)	EUR	(140.200)
19-01-18	EUR	2.158.801	USD	(2.500.000)	EUR	(44.538)
23-01-18	EUR	424.649	INR	(35.000.000)	EUR	7.178
06-04-18	EUR	843.704	USD	(1.000.000)	EUR	(34.722)
23-04-18	EUR	417.824	INR	(35.000.000)	EUR	8.103
07-05-18	EUR	421.124	USD	(500.000)	EUR	(17.183)
06-06-18	EUR	1.311.819	USD	(1.500.000)	EUR	2.685
07-06-18	EUR	6.372.674	USD	(7.500.000)	EUR	(197.470)
07-06-18	EUR	4.295.533	USD	(5.000.000)	EUR	(83.227)
15-06-18	EUR	4.283.389	USD	(5.000.000)	EUR	(90.202)
26-06-18	EUR	371.505	USD	(422.810)	EUR	1.859
26-06-18	EUR	2.196.644	USD	(2.500.000)	EUR	10.994
23-07-18	EUR	412.183	INR	(35.000.000)	EUR	9.954
23-10-18	EUR	407.640	INR	(35.000.000)	EUR	13.154
23-01-19	EUR	402.733	INR	(35.000.000)	EUR	16.735
25-01-19	EUR	1.605.301	INR	(150.000.000)	EUR	(72.450)
05-07-19	EUR	1.063.920	USD	(1.250.000)	EUR	(12.712)
07-11-19	EUR	441.761	USD	(600.000)	EUR	(74.129)
04-05-20	EUR	1.723.650	IDR	(38.000.000.000)	EUR	(228.631)
15-06-20	EUR	969.528	INR	(100.000.000)	EUR	(51.354)
01-07-20	EUR	237.205	IDR	(5.000.000.000)	EUR	(11.506)
15-12-20	EUR	933.380	INR	(100.000.000)	EUR	(56.848)
21-12-20	EUR	582.819	INR	(62.500.000)	EUR	(35.396)
15-06-21	EUR	901.149	INR	(100.000.000)	EUR	(59.510)
21-06-21	EUR	562.711	INR	(62.500.000)	EUR	(38.237)
21-12-21	EUR	545.178	INR	(62.500.000)	EUR	(60.682)
21-06-22	EUR	527.723	INR	(62.500.000)	EUR	(85.426)
21-12-22	EUR	512.946	INR	(62.500.000)	EUR	(106.375)
21-06-23	EUR	499.492	INR	(62.500.000)	EUR	(125.447)
Total					EUR	(8.000.055)

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

10. Swap contracts

As per June 30, 2016, outstanding cross currency interest rate swap contracts are composed of:

Description	Maturity Date	Notional		Counterparty Notional in currency		Unrealised gain/ (loss) in EUR
CIRS MFX EUR/KZT	01.07.2019	EUR	1,174,565	KZT	467,653,000	288,628
CIRS MFX EUR/GHS	01.11.2016	EUR	407,830	HS	2,500,000	(121,833)
CIRS MFX EUR/GHS	01.03.2018	EUR	304,924.53	HS	2,000,000.00	(19,097)
CIRS MFX EUR/INR	31.01.2017	EUR	1,568,998	INR	166,000,000	(549,721)
CIRS MFX EUR/INR	01.07.2016	EUR	2,252,461	INR	208,532,839	(525,592)
CIRS MFX EUR/INR	25.11.2016	EUR	2,349,182	INR	250,000,000	(883,279)
CIRS MFX EUR/KGS	01.04.2019	EUR	428,071	KGS	53,854,500	(34,115)
CIRS MFX EUR/KZT	03.07.2017	EUR	1,117,381	KZT	283,189,165	457,747
CIRS MFX EUR/KZT	01.10.2018	EUR	585,216	KZT	199,500,000	179,193
CIRS MFX EUR/KZT	03.09.2018	EUR	1,555,694	KZT	550,560,000	425,939
CIRS MFX EUR/NGN	01.08.2017	EUR	346,021	GN	100,000,000	163,584
CIRS MFX EUR/TJS	03.04.2017	EUR	766,667	TJS	7,141,500	153,766
CIRS MFX EUR/TJS	01.02.2019	EUR	153,075	TJS	2,010,940	15,713
CIRS MFX EUR/TJS	01.04.2019	EUR	94,783	TJS	1,250,000	11,427
CIRS MFX EUR/USD	01.01.2021	EUR	730,727	USD	1,000,000	(198,302)
Total						**(635,942)**

11. Dividend distribution

During the period ended June 30, 2016, the following dividends were paid by the sub-fund Triodos SICAV II - Triodos Microfinance Fund:

Class: “I” Shares Distribution (EUR)
Ex-date: May 31, 2016
Payment date: June 9, 2016
Dividend per share: EUR 0.02**

Class: “K-Institutional” Shares Distribution (GBP)*
Ex-date: May 31, 2016
Payment date: June 9, 2016
Dividend per share: EUR 0.03** (GBP 0.02)

* Payment of distribution is 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.

12. Off balance sheet commitments

As per June 30, 2016, the sub-fund has committed itself to seven investments for a total of approximately EUR 15 million.

13. Ongoing charges cost ratios

The ongoing charges cost ratios are:

	June 30, 2016	December 31, 2015	June 30, 2015
B Capitalisation Share Class (EUR)	2.59%	2.67%	2.68%
B Distribution Share Class (EUR)	2.65%	2.71%	2.74%
I Capitalisation Share Class (EUR)	1.97%	1.97%	1.98%
I Distribution Share Class (EUR)	1.97%	1.96%	1.97%
K-B Capitalisation Share Class (GBP)	2.64%	2.67%	2.64%
K-B Distribution Share Class (GBP)	2.64%	2.69%	2.67%
K-Institutional Distribution Share Class (GBP)	1.97%	1.94%	1.96%
K-Retail Distribution Class (GBP)	2.64%	2.69%	2.65%
K-Z Capitalisation Share Class (GBP)	2.18%	2.13%	2.18%
K-Z Distribution Share Class (GBP)	2.18%	2.13%	2.19%
R Capitalisation Share Class (EUR)	2.65%	2.73%	2.71%
R Distribution Share Class (EUR)	2.67%	2.78%	2.72%
Z Capitalisation Share Class (EUR)	2.15%	2.16%	2.18%
Z Distribution Share Class (EUR)	2.16%	2.15%	2.17%

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.

14. Exchange rate

The exchange rates used as per June 30, 2016, are:

1 EUR =	1.722529	AZN
1 EUR =	87.071871	BDT
1 EUR =	7.648906	BOB
1 EUR =	7.380698	CNY
1 EUR =	3,229.505814	COP
1 EUR =	51.042959	DOP
1 EUR =	0.831052	GBP
1 EUR =	2.588511	GEL
1 EUR =	4.391037	GHS
1 EUR =	8.485976	GTQ
1 EUR =	14,677.632448	IDR
1 EUR =	74.983126	INR
1 EUR =	1.29577	JOD
1 EUR =	74.973006	KGS
1 EUR =	4,497.773279	KHR
1 EUR =	376.720922	KZT
1 EUR =	1,302.403283	MMK
1 EUR =	2,204.265873	MNT
1 EUR =	314.093865	NGN
1 EUR =	3.653419	PEN
1 EUR =	6,206.424581	PYG
1 EUR =	8.664878	TJS
1 EUR =	2.433423	TND
1 EUR =	2,430.962801	TZS
1 EUR =	1.110590	USD
1 EUR =	655.814640	XOF
1 EUR =	16.269789	ZAR

Management and administration

Registered office

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

Board of Directors

G.R. Pieters (1958)
Chair (as of June 24, 2016)
Independent, Associate of the Directors' Office Luxembourg
Garry Pieters is an ILA (Institut Luxembourgeois des Administrateurs)-certified director. He is also Chair of the Board of Triodos SICAV I. Furthermore, he is Money Laundering Reporting Officer (MLRO) of Triodos SICAV II and oversees the 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 Sustainability Finance Real Economies fund (SFRE, initiated by the 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 NV. He was fund manager for a number of ING Group's Luxembourg money market and fixed income funds and was Chief Executive Officer of NN Investment Partners BV in Luxembourg and of its Singapore joint venture, as well as Senior Executive of its Korean joint venture. As per June 30, 2016, Garry Pieters did not hold any shares in the sub-funds of Triodos SICAV II.

P.H. Aeby (1956)
Chief Financial Officer and member of the Executive Board of Triodos Bank NV
Pierre Aeby (CFO) has been Statutory Director of Triodos Bank NV since 2000 and is a Member of the Executive Board of Triodos Bank NV. He is also a Member of the Board of Stichting Triodos Holding, Statutory Director of Triodos Ventures BV, 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, Member of the Board of Triodos SICAV I, 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 per June 30, 2016, Pierre Aeby held 430 shares in Triodos Microfinance Fund and 170 shares in Triodos Renewables Europe Fund.

M.D. Bachner (1972) (as of April 27, 2016)
Independent, Founder Bachner Legal
Monique Bachner is lawyer and an ILA-certified director. She started her legal career in London, at Freshfields Bruckhaus Deringer, and later moved to Debevoise & Plimpton. She currently has her own law firm, Bachner Legal. Monique Bachner focuses her practice on corporate and funds law, as well as on corporate governance advisory services for Board of Directors. She has served as Member of the Board of several investment funds and charitable institutions and is a Member of both the Board and the Management Committee of ILA (Institut Luxembourgeois des Administrateurs), as well as Chair of ILA's Education Committee and Member of ILA's Investment Funds Committee. Monique Bachner is also a Member of the Board of Triodos SICAV I. As per June 30, 2016, Monique Bachner did not hold any shares in the sub-funds of Triodos SICAV II.

M.H.G.E. van Golstein Brouwers (1958)
Chair of the Management Board of Triodos Investment Management
Marilou van Golstein Brouwers is Chair of the Management Board of Triodos Investment Management and Triodos Investment Advisory Services BV. In addition, she is a Member of the Board of 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 per June 30, 2016, Marilou van Golstein Brouwers held 165 shares in Triodos Renewables Europe 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 for the establishment and management support of impact finance vehicles. He has an 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. Previous employers include JP Morgan in Brussels and Citibank in Belgium and Luxembourg. Since early 2003, Patrick Goodman has dedicated his career to responsible finance and impact finance, providing structuring and management support for MIVs (Microfinance Investment Vehicles) and other impact finance vehicles. He is also a Member of the Board of Triodos SICAV I, as well as other impact finance investment funds. As per June 30, 2016, Patrick Goodman held 1,678 shares in Triodos Microfinance Fund and 1,703 shares in Triodos Renewables Europe Fund.

O.A.M. Marquet (1957) (until April 27, 2016)
Managing Director of Triodos Bank NV (Belgian branch) (until December 1, 2015)

Alternative Investment Fund Manager

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

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

M.H.G.E. van Golstein Brouwers (1958)
Marilou van Golstein Brouwers is Chair of the Management Board of Triodos Investment Management and Triodos Investment Advisory & Services BV. 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 per June 30, 2016, Marilou van Golstein Brouwers held 165 shares in Triodos Renewables Europe Fund.

D.J. van Ommeren (1967) (as of February 1, 2016)
Dick van Ommeren is Director at Triodos Investment Management and Triodos Investment Advisory & Services BV. He is a Member of the Board of Triodos SICAV I. As per June 30, 2016, Dick van Ommeren did not hold any shares in the sub-funds of Triodos SICAV II.

L.L. Pool (1968)
Laura Pool is Director Risk and Finance at Triodos Investment Management and Triodos Investment Advisory & Services BV. 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 per June 30, 2016, Laura Pool did not hold any shares in the sub-funds of Triodos SICAV II.

Fund Manager

F. Bos (1969)
Femke Bos has been fund manager of Triodos Microfinance Fund since the fund's inception in 2009. With over 15 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, she held several management positions with ABN AMRO Bank in the Netherlands. Femke Bos holds a Master of Law degree from the University of Amsterdam. As per June 30, 2016, Femke Bos did not hold any shares in the sub-funds of Triodos SICAV II.

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Legal Advisor in Luxembourg

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Rated by: LUXFLAG microfinance

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Colophon

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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