

1 December 2022

Explanatory notes to the prospectus of Triodos Impact Strategies II N.V.

Triodos Investment Management B.V. (“Triodos IM”), the Fund Manager of Triodos Investment Strategies II N.V., has the intention to update the current prospectus of Triodos Impact Strategies II N.V. (hereafter: the Prospectus) which will take effect from 1 January 2023. The most noteworthy changes to the Prospectus are:

Annex to Prospectus

Pursuant to the Regulation (EU) 2019/2088 on sustainability-related disclosures and Regulation (EU) 2020/852 Taxonomy (hereafter: SFDR level 2) as of 1 January 2023, additional information must be disclosed regarding the minimal sustainable investments, taxonomy alignment, PAI considerations, good governance and whether or not the sub-fund causes any significant harm. This information is attached as an annex to the Prospectus.

Background

SFDR level 2 is part of the [Action plan for Financing Sustainable Growth](#) of the European Commission. This action plan proposes rules for the financial sector regarding sustainability, among which “Environmental, Social & Governance” (ESG). It was introduced to bring transparency to investment products with sustainability-related claims, improve the ability to compare products, and to help investors better understand the impact of their investment decisions.

Sub-fund specific changes

Triodos Energy Transition Europe Fund

- Investment objective: It is included that the Sub-Fund has sustainable investment as its objective as set out in article 9 of the SFDR. Also, a prominent statement is included that all sustainability related information can be found in the sustainability annex.
- Benchmark: A separate paragraph is included that the Sub-Fund is not managed against any benchmark because of its unique feature.
- Investment restrictions:
 - The current restriction: *“invest up to 40% of its net assets in one country, with the exception of the Netherlands, where the Fund may invest up to 50% of its net assets”* will be removed.
 - In the current restriction: *“invest up to 25% of its net assets in companies active in the energy transition, with a maximum of 5% of net assets per investee”* the sub-limit regarding 5% of net assets per investee will be removed.
 - Also, the two restrictions with a limit of 100% are slightly adjusted and moved to the paragraph “type of investments” since these restrictions are irrelevant to monitor but should be included in the Prospectus.
- Risk factors: The paragraph is extended with interest rate risk and sustainability risk. Taxation risk is deleted since it has been described in the main part of the Prospectus.

Also, the liquidity risk is partly deleted since it was already described in the main part of the Prospectus. The relevant part for the Sub-Fund is moved to “liquidity management and profile”.

- Swing factor: The Fund Manager may apply ‘swing pricing’ for the benefit of shareholders. In the main part of the prospectus the ‘swing pricing’ is explained. An extra reference is made in the supplement.
- Definitions: Several definitions have been updated.

Triodos Food Transition Europe Fund

- Investment objective: It is included that the Sub-Fund has sustainable investment as its objective as set out in article 9 of the SFDR. Also, a prominent statement is included that all sustainability related information can be found in the sustainability annex.
- Investment restrictions:
 - Two restrictions with a limit of 100% are slightly adjusted and moved to the paragraph “type of investments” since these restrictions are irrelevant to monitor but should be included in the Prospectus.

- Benchmark:

A separate paragraph is included that the Sub-Fund is not managed against any benchmark because of its unique feature.

- Risk factors:

The paragraph is extended with sustainability risk. Taxation risk is deleted since it has been described in the main part of the Prospectus. Also, the liquidity risk is partly deleted since it was already described in the main part of the Prospectus. The relevant part for the Sub-Fund is moved to “liquidity management and profile”.

- Swing factor:

The Fund Manager may apply ‘swing pricing’ for the benefit of the shareholders. In the main part of the prospectus the ‘swing pricing’ is explained. An extra reference is made in the supplement.

- Definitions:

Several definitions have been updated.

Other adjustments in the main part of the Prospectus

In addition to the changes above, several definitions and paragraphs have been rephrased or extended, with the aim of making the Prospectus more in line with the Prospectuses of other funds managed by Triodos IM. A brief explanation of the most substantive changes is given below for each chapter.

Chapter 1. Glossary of terms

Several definitions have been added and updated.

Chapter 2. General information

The chapter is extended with information related to the sustainability related disclosures.

Chapter 4. Risk profile and risk factors

Various risk definitions have been updated and extended. Also, the chapter is extended with 4.4 Sustainability risks and 4.15 Lack of clarity of standardized taxonomy.

Chapter 9. Tax aspects

The chapter has been updated with the tax rates of 2022.

The amended Prospectus will replace the current Prospectus dated 19 December 2020 as from 1 January 2023. The amendments in the Prospectus come with a one-month notice period, which means that shareholders in the sub-funds can redeem their shares under the current terms and conditions until 1 January 2023 when the new Prospectus will come into effect. The Prospectus will not be published again on 1 January 2023 if it is unchanged from the current version.

The amended Prospectus can be found on the product pages of [Triodos Energy Transition Europe Fund](#) and [Triodos Food Transition Europe Fund](#) in the documents section.

Triodos Investment Management B.V.