

Triodos Vastgoedfond

Quarterly Report Q1 2018

Profile

Triodos Vastgoedfond is an active impact investor making real estate more sustainable. It aims to lead the Dutch office market forward by enhancing environmental performance and to contribute positively to social aspects of real estate, while generating a balanced return for its shareholders. Triodos Vastgoedfond has a consistent track record in delivering a solid dividend.

Key figures as of 31-03-2018

Net assets

EUR 55.6 million

Total assets

EUR 78.3 million

Number of shares outstanding

16,515,754

Trading price

EUR 2.72

NAV per share

EUR 3.36

Dividend per 19-05-2017

EUR 0.20

Dividend yield 2017

7.1%

Ongoing charges (as per 31-12-2017)

4.41% (incl. 1.00% management fee)

Fund facts

Fund manager Guus Berkhout

Inception date 08-04-2004

Management company

Triodos Investment Management BV

Currency EUR

Domicile The Netherlands

Fund structure

Investment company with variable capital

Legal form

Closed-end, limited liability company

ISIN code NL0000079333

Bloomberg code TRIOVGF:NA

Custodian

BNP Paribas Securities Services S.C.A.

Auditor

PwC Accountants NV

Headlines

- Gross rental income in line with expectations
- Occupancy rate improved to 89.1%
- Stable direct result of EUR 0.7 million
- Uptrend in valuations of portfolio assets continued
- Indirect result impacted by purchasing costs of the property in Delft
- Triodos Vastgoedfond brings asset management in-house as of 1 July 2018

Comments of the fund manager

During the first quarter of 2018, Triodos Vastgoedfond realised a direct result of EUR 0.7 million (Q1 2017: EUR 0.4 million). A slight decrease in rental income was more than compensated by lower funding costs.

The total value of the portfolio increased with EUR 0.85 million. The increase in value was offset by the purchasing costs of EUR 0.89 million related to the acquisition of the property 'De Rode Haan' in Delft. This led to an indirect result of EUR -42 thousand.

The direct result per share over the first quarter of 2018 was EUR 0.04 (Q1 2017: EUR 0.05 per share). The lower direct result per share is a result of the increase of the number of shares outstanding (16,515,754 compared to 8,398,991 in Q1 2017).

Indirect result was EUR 0.00 per share (Q1 2017: EUR -0.02 per share) and total result per share was EUR 0.04 per share (Q1 2017: EUR 0.03 per share).

Outlook

Triodos Vastgoedfond's highest priority remains raising the rental income, amongst others by acquiring new properties. The fund continues to work diligently on exploring investment opportunities. In the current strong investment market, in which prices tend to rise for high quality assets, Triodos Vastgoedfond approaches the market in a structured and disciplined way.

In 2018, the fund will benefit from lowered cost of debt, which decreased from 4.7% to 3.1% due to successful refinancing activities in 2017. The fund is discussing additional financing with several banks in relation to funding of future acquisitions.



Guus Berkhout
Fund Manager

"Our biggest priority is to grow our portfolio with suitable assets."

Review Q1 2018

Result

EUR x 1,000	YTD 2018	YTD 2017
Gross rental income	1,370	1,490
Other income from investments	-	-
Net service charges	-73	-47
Property expenses	-176	-218
Net rental income	1,121	1,225
Management costs	-263	-249
EBIT	858	976
Funding charges	-154	-392
Direct result	704	584
Indirect result	-42	-230
Net result	662	354

Per share	YTD 2018	YTD 2017
Direct result	0.04	0.05
Indirect result	0.00	-0.02
Net result	0.04	0.03

Balance sheet

EUR x 1,000	YTD 2018	YTD 2017
Real estate assets	76,215	65,922
Net debt	19,335	33,534
Equity	55,550	30,696

Portfolio

EUR x 1,000	YTD 2018	YTD 2017
Number of properties	16	16
Value of investments (EUR x1000)	76,215	65,922
Annual contracted rent (EUR x1000)	5,634	5,928
Lettable area (sqm)	45,344	44,115
WAULT (in years)	5.4	4.1
Average rent/sqm (EUR/p.a.)	124	134

Financial results

Rental income

Rental income decreased with EUR 120 thousand compared to Q1 2017, primarily due to the sale of a fully let property in Nieuwegein in June 2017 (annualised rent EUR 0.8 million) and an increase in vacancy because of the buy off of the rental contract of the building in Utrecht in Q4 2017 (annualised rent EUR 0.65 million). This was partly compensated by rental income of the acquisition in Delft, which came into effect as of mid January 2018 (annualised rent EUR 0.9 million). The net rental income decreased from EUR 1,225 thousand in Q1 2017 to EUR 1,121 thousand in Q1 2018.

Management costs

The management costs increased from EUR 249 thousand to EUR 263 thousand due to the increase of the assets under management from EUR 66 million to EUR 76 million.

Interest costs

Interest costs decreased from EUR 392 thousand to EUR 154 thousand. Following several refinancing efforts in 2017, the average interest rate decreased from 4.7% to 3.1%. Also, compared to Q1 2017 the net debt decreased from EUR 33.5 million to EUR 19.3 million, as the raised capital from the equity issue was (temporarily) put to work by reducing loans. However, the fund intends to deploy more bank loans to realise expansion of the investment portfolio.

Revaluation

The total value of the investment portfolio increased to EUR 76.2 million compared to EUR 63.9 million on 31 December 2017. This was due to the acquisition of the property in Delft (EUR 11.5 million) and an increase of the value of the existing portfolio with EUR 850 thousand. The revaluation result includes the 7.5% purchasing costs for the property in Delft (EUR 863 thousand), which largely consisted of the 6% transfer tax.

Portfolio developments

Leases and occupancy rate

The occupancy rate of the portfolio increased to 89.2%, compared to 87.3% at year-end 2017 (Q1 2017: 92.4%). The increase is mainly due to the acquisition of the property in Delft which is fully rented out. As per 1 April 2018, a new tenant will rent a vacant floor in the building in Arnhem, which brings the occupancy rate up to 90%.

The average unexpired term of the leases in the portfolio increased to 5.4 years (31-03-2017: 4.1 years).

As of 1 July 2018, Triodos Vastgoedfonds will bring its asset management in-house. The contract with the current asset manager Cair Real Estate will expire on 30 June 2018, after a cooperation of 2.5 years. So far, the fund has always outsourced the asset and property management. This strategic step will enable the fund to manage its assets more pro-actively, including its relationship with tenants and shaping its sustainability targets. It will have no effect on the management cost level.

Annual General Meeting

The Annual General Meeting (AGM) will be held on Friday 25 May 2018 at 10.30am at Triodos Bank, Nieuweroordweg 1 in Zeist. The agenda of the AGM is available on [the website](#). The fund intends to pay out EUR 0.20 per share over 2017, similar to 2016.

EPRA Performance measures

	Q1 2018	Q1 2017
EPRA Earnings	704	584
EPRA NAV	EUR 3.36	EUR 3.65
EPRA NNAV	EUR 3.36	EUR 3.65
EPRA Net Initial Yield (NIL)	6.4%	7.9%
EPRA 'topped-up' NIY	6.5%	8.1%
EPRA Vacancy rate	10.9%	7.6%

Triodos Vastgoedfondos has started to report figures and indicators based on the guidelines and Best Practices Recommendations (BPR) published by the European Public Listed Real Estate Association (EPRA). EPRA is the association of Europe's leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance and to provide high-quality information to investors. Triodos Vastgoedfondos endorses the intended standardisation in reporting to promote comparability and improving the quality of information provided to investors and other users of the report.

EPRA's Best Practices Recommendations guide is available on EPRA's website www.epra.com.

Portfolio per 31-03-2018

Property	Monument	Current label	Label at moment of purchase
Utrechtseweg 12, Amersfoort		B	E
Laan van Westenenk, Apeldoorn		A	
De Tempel, Den Haag	yes	A	G
Platinaweg 4, Emmeloord		A+	A
Nieuwe Kanaal ABC, Wageningen		A	
Nieuwe Kanaal EF, Wageningen		A	
Stationsweg 1, Groningen		A+	G
Rostockweg 3, Groningen		A+	
Blaeuilaan 60A, Utrecht		A+/D	
De Kastanjehof, Velp		A++	
D'n Daalder, Boxtel		B	C
De Rode Haan, Delft		B	
Villa Rusthoek, Baarn	yes	C	G
De Nederlanden van 1845, Arnhem	yes	G/C	G
Herengracht 433, Amsterdam	yes	G	
Villa Trompenburg, Rotterdam	yes	G	

Latest purchase: De Rode Haan, Delft

The office building 'De Rode Haan' in Delft is an example of IFD (Industrial Flexible and Dismountable) building. The use of industrial building methods for offices, schools and factories has gained broad popularity in the past years. One of the applied innovations is the reduction of the gross floor height to save building material. To achieve this reduction a relatively light hybrid floor construction was used. The air filtering system, including all the necessary installation routes, are included in the hollow spaces of the floor. The prefabricated construction has resulted in an industrially manufactured and extremely flexible concept.



Triodos Investment Management

Triodos Investment Management connects a broad range of investors who want to make their money work for lasting, positive change with innovative entrepreneurs and sustainable businesses doing just that. In doing so, we serve as a catalyst in sectors that are key in the transition to a world that is fairer, more sustainable and humane.

With our highly professional investment teams, we have built up in-depth knowledge throughout our 25 years of impact investing in sectors such as Energy & Climate, Inclusive Finance, Sustainable Food & Agriculture, Arts & Culture, and Sustainable Real Estate. We also invest in listed companies with an above average environmental, social and governance (ESG) performance. Assets under management as per end of December 2017: EUR 3.5 billion.

Triodos Investment Management is a globally active impact investor and a wholly-owned subsidiary of Triodos Bank NV.

Contact

To find out more about our six investment strategies please contact our Investor Relations staff in Europe.

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Triodos Vastgoedfonds NV is a closed-end public limited liability company incorporated and organised under the laws of the Netherlands. The fund invests in physical commodities, namely real estate office buildings in the Netherlands. Triodos Vastgoedfonds is managed by Triodos Investment Management BV. Triodos Vastgoedfonds is registered with AFM (Netherlands Authority for the Financial Markets). BNP Paribas Securities Services S.C.A. acts as the depositary for Triodos Vastgoedfonds. The prospectus and the annual and semi-annual reports may be obtained free of charge via Triodos Investment Management in Zeist +31 (0)30 694 24 00 or www.triodos.com.