

ROBECO
The Investment Engineers

19

Robeco Sustainable Global Stars Equities Fund N.V.

(Formerly Robeco Global Stars Equities Fund N.V.)

**Investment company with variable capital incorporated under Dutch law
Undertaking for Collective Investment in Transferable Securities
Chamber of Commerce registration number 24041906**

Annual Report 2019

Contents

Report by the manager	4
General information	4
Key figures per share class	6
General introduction	7
Investment policy	9
Investment result	9
Risk management	11
Movements in net assets	11
Remuneration policy	11
Sustainable investing	13
In Control Statement	16
Annual financial statements	17
Balance sheet	17
Profit and loss account	18
Cash flow statement	19
Notes	20
General	20
Accounting principles	20
Principles for determining the result	21
Principles for cash flow statement	22
Attribution to share classes	22
Risk management	22
Risks relating to financial instruments	23
Notes to the balance sheet	30
Notes to the profit and loss account	34
Currency table	38
Schedule of Investments	39
Other information	42
Provisions regarding appropriation of the result	42
Directors' interests	42
Auditor's report by the independent auditor	43

Robeco Sustainable Global Stars Equities Fund N.V.

(investment company with variable capital, having its registered office in Rotterdam, the Netherlands)

Contact details

Weena 850
PO Box 973
NL-3000 AZ Rotterdam
Telephone +31 (0)10 - 224 12 24
Internet: www.robeco.com

Management board (and manager)

Robeco Institutional Asset Management B.V. ('RIAM')
Policymakers RIAM:
Gilbert O.J.M. Van Hassel
Karin van Baardwijk
Monique D. Donga (until 30 June 2019)
Peter J.J. Ferket
Mark C.W. den Hollander (since 24 June 2019)
Martin O. Nijkamp
Hans-Christoph von Reiche
Victor Verberk
Lia Belilos-Wessels (since 1 December 2019)

Supervisory directors of RIAM:

Jeroen J.M. Kremers (until 30 March 2020)
Sonja Barendregt-Roojers
Yoshiko Fujii (until 31 December 2019)
Mark A.A.C. Talbot (since 18 September 2019)
Radboud R.L. Vlaar

Custodian and Transfer Agent (since 23 April 2019)

J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch
Strawinskylaan 1135,
NL-1077 XX Amsterdam

Fund managers

Jan Keuppens
Michiel Plakman

Fund agent and paying agent

ING Bank N.V.
Bijlmerplein 888,
NL-1102 MG Amsterdam

Auditor

KPMG Accountants N.V.
Papendorpseweg 83
NL-3528 BJ Utrecht

Report by the manager

General information

Legal aspects

Robeco Sustainable Global Stars Equities Fund N.V. (the 'fund') is an investment company with variable capital established in the Netherlands. The fund is an Undertaking for Collective Investment in Transferable Securities (UCITS), as referred to in Section 1:1 of the Dutch Financial Supervision Act (hereinafter: 'Wft') and the Council Directive for Investment Institutions dated 23 July 2014 (Directive 2014/91/EU, 'UCITS V'). UCITS have to comply with certain restrictions to their investment policy in order to protect investors.

Robeco Institutional Asset Management B.V. ('RIAM') manages the fund. In this capacity, RIAM handles the asset management, risk management, administration, marketing and distribution of the fund. RIAM holds an AIFMD license as referred to in Section 2:65 Wft, as well as a license to manage UCITS as referred to in Section 2:69b Wft. RIAM is moreover authorized to manage individual assets and give advice with respect to financial instruments. RIAM is subject to supervision by the Dutch Authority for the Financial Markets (the 'AFM').

The assets of the fund are held in custody by J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch. J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch is appointed as the custodian of the fund as referred to in Section 4:62n Wft. The custodian is responsible for supervising the fund insofar as required under and in accordance with the applicable legislation. The manager, the fund and J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch have concluded a custody agreement.

The fund is subject to statutory supervision by the AFM. The fund is entered in the register as stated in Section 1:107 Wft.

Recently, we have been informed that the AFM has determined that RIAM is to undertake remedial measures with respect to its compliance framework regarding customer due diligence, transaction monitoring and related requirements in the area of our retail fund distribution activities, and that the AFM intends to impose an order on RIAM in this respect. We are ensuring full compliance with all relevant laws and regulations, and that it will extend its ongoing compliance enhancements to incorporate these measures. Any related costs are borne by RIAM and this has no consequence for the investors in the fund.

Robeco

When 'Robeco' is mentioned it means RIAM as well as the activities of other companies that fall within the scope of Robeco's management.

Supervision by the Supervisory Board of Robeco Institutional Asset Management B.V.

The Supervisory Board of Robeco Institutional Asset Management B.V. supervises the funds under management. During the meetings of the Supervisory Board, attention was paid, among other things, to developments in the financial markets and the performance of the funds.

Based on periodic reports, the Supervisory Board discussed the results of the funds with the policy makers of the manager. These discussions focused on the investment results, the development of assets under management as a result of market movements and the net inflow of new money as well as operational matters.

In the meetings of the Audit & Risk Committee of the Supervisory Board, the interim financial reports and the reports of the independent auditor were regularly on the agenda. In addition, risk management, incident management, the tax position and quarterly reports from internal audit, compliance, legal affairs and risk management were discussed. Furthermore, the Audit & Risk Committee has discussed the recent information that the AFM has determined that RIAM is to undertake remedial measures with respect to its compliance framework regarding customer due diligence and related requirements for RIAM's direct retail distribution channel, and that the AFM intends to impose an order on the manager in this respect. Attention was also paid to fund governance and compliance with the principles that RIAM has established in order to secure a careful handling of (potential) conflicts of interest between RIAM as a fund manager and the investors in the funds. The following subjects were on the agenda, among others: an annual report of fund governance related monitoring activities prepared by the Compliance department, the Audit Report of KPMG and the annual reports and semi-annual reports of the funds. The Supervisory Board has determined that RIAM's principles for fund governance are applied.

Market Impact Covid-19

Robeco Institutional Asset Management B.V. considers the COVID-19 (Corona) Pandemic as a significant event after closing the Annual Reports 2019 of the Investment Funds under management. The impact of the pandemic on people, companies and the economy at large cannot be assessed in full depth at this stage. However, the impact may have a downward effect on the performance. Measures to mitigate the immediate operational risks are in place. Additional measures are dependent on our own assessments and the response of the authorities.

Our operational measures for business continuity

In response to the Covid-19 outbreak, Robeco is constantly monitoring the latest developments and has taken all measures necessary to manage the situation and to ensure business continuity. Our operational measures and capabilities are such that Robeco remains fully functional in managing client portfolios and serving clients. Our systems and platforms are designed to enable our staff, most of whom are working from home, to operate as normal. Our approach is one of vigilance and flexibility, allowing us to implement new or revised measures smoothly and as necessary to ensure the health and safety of our staff while maintaining business continuity.

Outsourcing some of the operational activities to J.P. Morgan

Early 2018, Robeco announced that it would be outsourcing part of its operations and administration activities to J.P. Morgan. The decision to outsource is part of the Robeco's strategic plan for the 2017-2021 period, which envisages further international growth in both investment and client servicing activities. In the course of 2018, J.P. Morgan became Robeco's service provider for fund accounting, operations, custody, depositary and securities lending, in two phases. In April 2019, J.P. Morgan also became Robeco's transfer agent for all funds.

Report by the manager (continued)

General information (continued)

Share classes

The ordinary shares are divided into two series, both of which are open. Each series is designated as a share class. The series include the following share classes:

Share class A: Robeco Sustainable Global Stars Equities Fund

Share class B: Robeco Sustainable Global Stars Equities Fund - EUR G.

The management fee for the Robeco Sustainable Global Stars Equities Fund - EUR G share class (without distribution fee) is lower than for the Robeco Sustainable Global Stars Equities Fund share class.

Attribution to share classes

The administration of the fund is such that attribution of the results to the different share classes takes place on a daily basis and pro rata. Issues and repurchases of own shares are registered per share class. The differences between the various share classes are explained in notes 11, 13 and 16 to the financial statements.

Conversion of bearer shares

In the past, the fund issued shares in the form of bearer shares (also known as 'K-certificates'). These bearer shares belong to the Robeco Sustainable Global Stars Equities Fund share class. As a result of an amendment to the articles of association, all the shares in the Companies have been registered since 12 August 2010 and shareholders, usufructuaries and pledgees who derive their rights from bearer shares cannot exercise or arrange for the exercise of the rights attached to these shares while the shares are not converted to registered shares.

In connection with the coming into effect of the Dutch Conversion of Bearer Shares Act (Wet omzetting aandelen aan toonder, the 'Act'), the holders of bearer shares have until 31 December 2020 to convert these into registered shares. All bearer shares which have not been converted on this date will, on the basis of the Act, be acquired by the fund for no consideration on 1 January 2021. No further dividend will be reserved for these bearer shares with effect from this date.

From 1 January 2021 through 31 December 2025, holders of bearer shares in the fund may exchange their share for a replacement registered share. To exchange bearer shares in the fund for registered shares until 31 December 2020 and submit these for replacement registered shares in the period from 1 January 2021 through 31 December 2025, shareholders should submit their bearer shares through their own bank to the fund agent (ING Bank).

Tax features

On the basis of Section 28 of the Dutch Corporation Tax Act, the fund has the status of a fiscal investment company. This means that 0% corporate income tax is due, providing that, after deducting 15% in Dutch dividend tax, the fund makes its profit available for distribution to shareholders in the form of dividend within eight months of the close of the financial year and satisfies any other relevant regulations.

Liquidity of ordinary shares

The fund is an open-end investment company, meaning that, barring exceptional circumstances, it issues and repurchases ordinary shares on a daily basis at prices approximating net asset value, augmented or reduced by a limited surcharge or discount. The only purpose of this surcharge or discount is to cover the costs incurred by the fund for the entry and exit of investors. The maximum current surcharge or discount is 0.35%. The surcharges and discounts are recognized in the profit and loss account.

The Robeco Sustainable Global Stars Equities Fund share class is listed on Euronext Amsterdam¹, Euronext Fund Service segment. In addition, the fund is listed on the stock exchanges of Berlin, Dusseldorf, Frankfurt, Hamburg, Luxembourg, Munich, Vienna and Zurich.

The Robeco Sustainable Global Stars Equities Fund - EUR G share class is listed on Euronext Amsterdam¹, Euronext Fund Service segment.

¹ Depending on the distributor, investment may be made in Robeco Sustainable Global Stars Equities Fund or Robeco Sustainable Global Stars Equities Fund - EUR G.

Key investor information and prospectus

A prospectus has been prepared for Robeco Sustainable Global Stars Equities Fund N.V. with information on the fund, the costs and the risks. A key investor information document has been prepared for each share class of the investment company with information on the product and its associated costs and risks. These documents are available free of charge at the fund's offices and at www.robeco.com.

Audit committee tasks

An audit committee must be set up for investment funds that are classified as public interest entities (PIE). The Robeco funds are exempt from appointing an audit committee on the basis of Article 3 of the 'Besluit instelling auditcommissie'. This means that Robeco's funds with PIE status do not have an audit committee. However, the absence of an audit committee does not mean that the associated tasks will be canceled, but that they must have been assigned elsewhere in the Robeco organization. Within Robeco, these tasks will be performed by the Board of Management of Robeco Institutional Asset Management B.V. (the "ExCo").

Report by the manager (continued)

General information (continued)

Information for investors in the respective countries

The information below applies only to investors in the respective countries.

Representative and paying agent in Switzerland

ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zürich, is appointed as the fund's representative in Switzerland. Copies of the Key Investor Information, the Prospectus, Articles of Association, annual and semi-annual reports, and a list of all purchases and sales in the fund's securities portfolio during the reporting period are available from the above address free of charge.

UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich, is the fund's paying agent in Switzerland. Postal address: Badenerstrasse 574, Postfach, CH-8098 Zürich.

Representative and paying agent in Germany

State Street Bank GmbH - Frankfurt Branch (Agent Fund Trading), Solmsstrasse 83, D-60486 Frankfurt am Main is the fund's appointed paying agent in Germany. The information address for Germany is Robeco Deutschland, Taunusanlage 17, D-60325 Frankfurt am Main. The prospectus, the Articles of Association and the annual/semi-annual reports may be obtained free of charge from the information address. The prices at which shares are bought and sold are published on www.robeco.de.

Financial services in Belgium

CACEIS Belgium N.V., Havenstraat 86C Bus 320, 1000 Brussels, is appointed as financial services provider in Belgium. The most recent periodic reports, the prospectus and the Key Investor Information and other information about the fund are available from them in Dutch and English.

Translations

This report is also published in Dutch and German. Only the original version published in Dutch is legally valid.

Key figures per share class

Overview 2015-2019

Robeco Sustainable Global Stars Equities Fund	2019	2018	2017	2016	2015	Average
Performance in % based on:						
- Market price ^{1,2}	32.6	-4.4	12.1	6.7	8.0	10.4
- Net asset value ^{1,2}	32.3	-3.5	12.0	6.3	7.8	10.4
MSCI World Index (Net Return) ³	30.0	-4.1	7.5	10.7	10.4	10.4
Dividend in EUR ⁴	1.00 ⁶	1.00 ⁶	1.00 ⁶	1.00	1.20 ⁶	
Total net assets ⁵	1.3	1.1	1.3	1.4	1.6	

Robeco Sustainable Global Stars Equities Fund – EUR G	2019	2018	2017	2016	2015	Average
Performance in % based on:						
- Market price ^{1,2}	33.2	-3.9	12.7	7.2	8.5	10.9
- Net asset value ^{1,2}	32.9	-3.0	12.5	6.8	8.3	10.9
MSCI World Index (Net Return) ³	30.0	-4.1	7.5	10.7	10.4	10.4
Dividend in EUR ⁴	1.00 ⁶	1.00 ⁶	1.00	1.00	1.00	
Total net assets ⁵	1.5	1.3	1.4	1.4	1.4	

¹ The differences between the performance based on market price and the performance based on net asset value is caused by the fact that the market price is the NAV of the previous trading day corrected for the surcharge or discount as described under Liquidity of ordinary shares.

² Any dividend payments that are distributed in any year are assumed to have been reinvested in the fund.

³ Currencies have been converted at rates supplied by World Market Reuters. Last valuation date for the end of 2018 and the start of 2019 is 28 December 2018, whereas the last valuation date for the index is 31 December 2018.

⁴ The dividend per share relates to the reporting year mentioned and is distributed in the following year. The figure for 2019 is a proposal. Further information on the proposed dividend can be found in the section Proposed profit appropriation on page 36.

⁵ EUR x billion.

⁶ In order to meet the tax distribution obligation, a revised dividend proposal for the Robeco Sustainable Global Stars Equities Fund asset class was submitted to the General Meeting of Shareholders (GMS): This proposal was approved by the GMS.

Report by the manager (continued)

General introduction

Financial market environment

2019 has been a paradoxical year for financial markets; stellar performances for equity and fixed income in an uncertain global environment. The global economy in 2019 continued on the path of decelerating expansion that emerged in late 2018 on the back of skyrocketing geopolitical uncertainty. Persisting trade disputes between the US and China, the twists and turns around Brexit, protests in Hong Kong and an increasingly tribal political landscape in the US created an environment tough to navigate for global leaders and investors alike. Global trade volumes declined below trend as retaliatory rounds of tariffs were put in place by the US and China, especially hitting open, export-oriented economies with a strong manufacturing base. The deceleration in global economic growth was therefore mainly concentrated in the manufacturing sector while the services sector remained fairly resilient. As 2019 unfolded, a domestic slowdown in China spilled over to the European continent, notably the German economy where Germany's car industry was already facing a difficult transition towards cleaner forms of mobility. As a result, Germany narrowly escaped a technical recession in 2019. Overall, global activity remained in expansion, with the global growth forecast reaching 2.9% in 2019 (IMF estimate).

Despite record high levels of geopolitical risk, equity returns have been stellar over 2019, with the MSCI World unhedged in euro returning 27.5%. It was also one of the best since the financial crisis for fixed-income returns. There was a significant dovish shift in Federal Reserve policy, which led to increased demand for both interest-rate and risk markets. Because of the Fed's pause, followed by rate cuts in the second half of the year, the environment remained supportive throughout 2019. Global government bonds (hedged to euro) returned 4% while at the same time global corporate credit bonds (hedged to euro) returned 8.5%.

Global economic growth disappointed with regard to consensus expectations and slowed from 3.6% in 2018 to a notably lower pace of 3%. Alongside a slowdown in external demand, this softening in global activity was mainly due to a deterioration in global investment expenditures, as signs of fading multilateralism and international cooperation weakened CEO confidence to undertake new global investment projects. In advanced economies, capital expenditures slowed from 2.6% in 2018 to 1.8% in 2019 (IMF estimate), concentrated in the US. In conjunction with lower investment demand, aggregate demand from the consumer side advanced at a lower rate of growth as well in 2019.

Even as this period of US economic expansion has now become the longest post-WWII, consumption growth has remained significantly below the average growth rate observed during previous US expansion phases. This is partly due to a significant household deleveraging post great financial crisis. Another element is that economic growth has become less inclusive. Especially those with the highest marginal propensity to spend have missed out on the rising economic tide. US nominal wage growth has picked up to around 3% but given that the US unemployment rate at 3.5% signals that the US is experiencing the tightest labor market in the past 50 years, this level is still subdued. In most advanced economies, employment numbers have increased (though overall at a more modest pace compared to 2018) and unemployment rates are now close to or at cyclical lows. Household demand remains underpinned by a rising trend in real disposable incomes, increased housing wealth and generally low interest rates.

Despite higher import tariffs in some countries, global inflation remained muted. As the global manufacturing slowdown led to higher inventory-to-sales ratios, capacity utilization rates came down and as a result core inflation decelerated further below target for many advanced economies and emerging markets. In the US, core PCE inflation (which excludes changes in consumer food and energy prices) remained at 1.6%, below the symmetrical inflation target of 2% of the Fed. Inflation is increasingly influenced by global factors such as global commodity prices, global slack, exchange rates and producer price competition.

In the UK, the twists and turns in the debate around Brexit continued to be as relentless as they were in 2018, until Boris Johnson convincingly won the December general election. The UK Prime Minister showed his intention to move the UK out of the EU by end of January 2020 by signing the EU withdrawal bill. He also indicated he would limit the transitional period and not to seek an extension of the UK's transition away from the EU beyond 31 December 2020. Given the challenging timetable the UK government has set itself, the UK will likely negotiate a minimum trade deal, concentrating on the trade in goods. As Johnson may opt to remove the self-imposed 31 December 2020 deadline, the chances of a no-deal 'hard' Brexit by the end of 2020 have diminished, but not vanished altogether.

In China and other emerging markets, weakness in domestic consumer spending dominated the deterioration in external demand. Chinese economic growth slowed to 6.1% in 2019. Debt, deleveraging and demographics are three key words influencing China's domestic policy agenda. Policy makers are undertaking a difficult balancing act to keep near-term growth around the 6% target while also trying to remove excess leverage (overall non-financial corporate debt is around 250% of GDP) to keep the economy on a sustainable longer-term path. China's rapidly ageing society is also hampering its long-term potential growth.

Financial Market Environment Q1 2020

The first quarter of 2020 will be the focus of many future financial history books. Initially, the first weeks of 2020 got off to a promising start. The long-anticipated signing of a "phase 1" trade agreement between China and the US took place on January 15th while global leading indicators surprised to the upside and confirmed expansion of economic activity. In the second half of January, however, these signals of reflation (increasing global growth towards trend level) were completely overshadowed by rising concerns over the outbreak of a coronavirus starting in Wuhan, which the WHO eventually named "Covid-19". On January 23th, China started a drastic, but effective lockdown of the city of Wuhan and other cities in the Hubei area to contain the virus. Still, Covid-19 had already crossed borders; the WHO declared Covid-19 a pandemic on March 11th. By March 31st, Covid-19 had exponentially spread to at least 163 countries with 858,361 people infected, causing 42,309 deaths.

Report by the manager (continued)

General introduction (continued)

Financial Market Environment Q1 2020 (continued)

Many countries followed the example set by China in containing the spread of Covid-19. As a result of increasing lockdowns and social distancing measures, the global economy has come to a sudden stop, leaving a global recession inevitable at this juncture. Covid-19 has delivered a simultaneous negative supply- as well as demand shock. In addition, social distancing measures aggravate the impact of the oil supply glut that erupted after OPEC+ negotiations about oil production cuts failed.

Leading producer confidence indicators already plummeted in March to 2008 recession lows. Markets now (rightly) infer a Q2 global GDP collapse not seen in the post-WWII era. Another clue in this direction are the staggering weekly jobless claims numbers (+10 million) in the US. The latest March jobless claims statistic was already exactly 10.0 times the highest number observed during the GFC recession.

Earlier in March, the Fed swiftly lowered its conventional policy rate from 1.75% to 0.25% and expanded its balance sheet by almost USD 1000 billion by asset purchases and repo agreements. Other central banks also pursued a “whatever it takes” strategy and undertook similar measures. Next to central banks, governments have pulled all the stops as well in effort to dampen the economic impact of Covid-19. The US Congress approved an emergency fiscal stimulus package amounting to 10% of US GDP. In Europe, Germany swiftly approved a package worth 4.5% of GDP.

As the above dramatic events evolved, financial markets went into a tailspin of unprecedented scale. The S&P500 index peaked on February 19th before sliding into a bear market at the fastest pace seen since 1929, ending the longest bull market in history that began in March 2009. In the enormous market turbulence (a measure of implied equity volatility, the VIX, spiked above the peak level seen during the Great financial Crisis of 2008), liquidity pressures mounted. Even safe-haven assets like US Treasuries and gold were battered initially as investors scrambled for cash. Eventually, haven assets recovered in the second phase of the turmoil as massive liquidity injections by central banks eased forced selling pressures.

Global government bonds (hedged, EUR) generated a positive return of 4.5% in Q1 2020. Riskier fixed income asset classes with equity-like risk characteristics suffered losses. Global high yield (hedged, EUR) lost 15.1%, whereas global investment grade bonds (hedged, EUR) lost 4.6%. Global equities as measured by the MSCI World index (hedged, EUR) lost 20.4% in Q1 2020.

The first quarter of 2020 has been extraordinary. The exceptional market volatility in this quarter reflects exceptional future macro-economic volatility. Monetary- and fiscal stimulus is important but solving the health crisis is the key priority for economic recovery. The Covid-19 pandemic is still with us at the time of writing this report, though the strenuous efforts undertaken by governments to “flatten the curve” are starting to pay off with case fatality rates in most countries decelerating. Together with the massive amount of fiscal- and monetary stimulus and policy measures taken (i.e. the lowering of countercyclical buffers for banks to protect the flow of credit to the real economy, liquidity assistance for corporates as well as wage subsidies to keep workers employed), some positives for a future global economic recovery have arrived at the end of March.

Outlook for the equity markets

We are cognizant of the fact that global growth expectations are likely to be revised even lower in light of the prolonged duration of the Covid-19 outbreak well into 2020 and recognize that the road to recovery will be a very erratic one and certainly not in a straight line or typical V-shape. We do expect a bounce in economic activity from the very depressed levels in the first half of 2020 but we also take notion of direct and longer lasting negative second round effects on consumption, employment and business investment despite large-scale stimulus by central banks and governments.

Equity investors will need to navigate two-way risk in 2020. On the upside, current equity markets have largely discounted average recession risk already. Although it must be noted that historically bear markets tend to last an average of 14 months. Also, the swift and massive intervention by central banks and governments provides a powerful counterbalance to the coming economic downturn. If history is a guide then equities should enter a trough midway into a recession and rally 25% in the subsequent 12 months.

Nonetheless, we are not out of the woods yet. An important variable determining the duration and depth of bear markets is the Shiller CAPE at the prior market peak. Prior to the Covid-19 pandemic the US was at historically stretched valuation levels. Add to this low visibility on the duration of the recession and the subsequent economic recovery path, a state of denial in investor sentiment and limited conventional monetary policy space. Therefore, tactical equity investors should remain vigilant as additional downside risk remains. However for long term investors, interesting value opportunities in equities are emerging.

Because of the very rapid developments around the Covid-19 pandemic and its impact on the worldwide economy, we refer to our website Robeco.com for the latest updates on our outlook for equity markets.

Report by the manager (continued)

Investment policy

Introduction

The fund is a globally invested equity fund that has been in existence since 1929, making it one of the oldest existing investment companies in the Netherlands.

Investment objective

The fund's objective is to offer clients a well-diversified global equity portfolio with the aim of generating higher returns than the index, the MSCI World Net Return Index. The manager advocates sustainable investing. This means that the fund invests responsibly, taking into account environmental, social and governance perspectives.

Implementation of the investment policy

We added a few new promising holdings to our fund. Firstly Neste, a Finnish oil refinery, which is the largest biofuel refiner in the world and a pioneer in the field of renewable fuels. Neste is in the business of helping transport and cities, aviation, polymers and chemicals customers make their business more sustainable and will continue to lead the way for renewable products. As the transition to electric vehicles doesn't happen overnight, especially not within heavy transportation, the role of alternative fuels or next generation biofuels are crucial to keep a lid on carbon emissions. In addition, the potential for aviation fuel, bio-based plastics and chemicals is significant and Neste's global market share of ~50% gives it a significant competitive advantage. Neste is a clear example where a strong ESG strategy has a positive impact on both revenue growth as on the margins. Secondly, we added Eli Lilly to the portfolio. After some patents expired in 2019 we expect the company to positively surprise the markets with double digit revenue growth due to their excellent positioning in the diabetes market and in immunology. During the year we decided to exit the balance sheet financials being ING, AXA and Citigroup. Despite most of these companies trading at attractive headline multiples, secular headwinds prevent them from achieving substantially higher return on capital in the coming years. Hence, we do not expect that the value will be unlocked soon enough. However, we are making progress with our engagement on better risk management systems and disclosure for various banks.

Currency policy

The currency policy is based on the benchmark weights. Only minor deviations are made from this benchmark. For further quantitative information on currency risk we refer to the information on currency risk provided on page 23.

Policy on derivatives

In compiling the portfolio for Robeco Sustainable Global Stars Equities Fund N.V., individual stocks form our starting point (bottom-up selection process). Our stock selection forms the basis for allocation to regions and countries. A top-down check is then performed on this allocation to regions and countries to establish whether the allocation complies with our knowledge of these countries and regions and/or the risks involved. The weights for regions and countries can be adjusted during this process with the aid of futures.

Investment result

Investment result per share class

Share class	Price in EUR x 1 31/12/2019	Price in EUR x 1 31/12/2018	Dividend paid April 2019 ¹	Investment result in reporting period in % ²
<i>Robeco Sustainable Global Stars Equities Fund</i>			1.00	
- Market price	45.76	35.34		32.6
- Net asset value	45.76	35.44		32.3
<i>Robeco Sustainable Global Stars Equities Fund - EUR G</i>			1.00	
- Market price	49.54	38.00		33.2
- Net asset value	49.54	38.11		32.9

¹ Ex-dividend date.

² Any dividend payments that are distributed in any year are assumed to have been reinvested in the fund.

Report by the manager (continued)

Investment result (continued)

Net earnings per share ¹

EUR x 1

Robeco Sustainable Global Stars Equities Fund	2019	2018	2017	2016	2015
Investment income	0.80	0.78	0.68	0.83	0.80
Change in value	11.05	-1.57	3.94	1.21	3.07
Management costs, service fee and other costs	-0.47	-0.42	-0.41	-0.36	-0.39
Net result	11.38	-1.21	4.21	1.68	3.48

Robeco Sustainable Global Stars Equities Fund – EUR G	2019	2018	2017	2016	2015
Investment income	0.86	0.84	0.72	0.88	0.83
Change in value	11.93	-1.69	4.10	1.54	2.35
Management costs, service fee and other costs	-0.28	-0.25	-0.24	-0.21	-0.23
Net result	12.51	-1.10	4.58	2.21	2.95

¹ Based on the average amount of shares outstanding during the reporting year. The average number of shares is calculated on a daily basis.

The last year of the decade closed on a high note making 2020 the best performing year of the past 10 years. The Sustainable Global Stars equity fund rose nearly 34% (gross of fees), almost 4% higher than the market index. This was the third consecutive year with strong relative performance since we implemented the more concentrated strategy.

Strong equity market gains were realized due to multiple expansion as earning growth was rather minimal for the overall market. After the disastrous last quarter of 2018, equity markets started to climb the wall of worry. As the path for a resolution arose for various geopolitical risks ranging from the US trade wars, Brexit and the Italian political struggles, uncertainties got smaller. Furthermore markets were highly supported by a very accommodative monetary and in some countries fiscal policies. With a sizable part of the bond market in negative yielding territory, equities are an attractive asset class.

The largest relative contributors to the portfolio were the Communication Services and the Industrials sector which more than offset the lagging performance in Energy, Consumer Staples and the Healthcare sector.

The biggest contributor to the performance was Charter Communications. The largest holding in our portfolio was up nearly 74% making it from a highly contrarian holding at the end of 2018, into a market favorite. The company surprised the markets on two fronts. Firstly revenue growth accelerated after the integration of the acquired Time Warner Cable assets. Secondly capital requirements were lowered after they upgraded the network and their systems in previous years. This resulted in a strong free cash flow generation. Next to maintaining its strategic importance in US communication infrastructure we expect the company to generate a double digit free cash flow growth in 2020.

The second largest contribution came from Microsoft. Although the stock is rather consensual management continued to execute on double digit revenue growth target, despite the law of large numbers and the accompanying margin expansion. Also, the strong ESG profile of the company is strengthening the competitive positioning of Microsoft. Microsoft has improved markedly in terms of corporate governance ever since Satya Nadella became CEO of the company. Microsoft has really opened up as a company and has improved its communication with partners, developers, investors and society at large. In addition, the company has chosen to partner more with other software companies, and to support both open source (Linux for instance) and take an active role in providing for a more secure cloud environment, by becoming more friendly to the developer community.

Return and risk

The tracking error is a frequently used measure to gauge portfolio risk. It indicates the degree to which positions in the portfolio can diverge from those in the benchmark. The tracking error for the fund was on average 2.2% over the year.

Another measure used is the active part of the portfolio, the active share. This is the part that diverges from the benchmark. For instance, if Royal Dutch Shell has a weight of 4% in the benchmark and a weight of 1.5% in the Robeco portfolio, the active part for this position is 2.5%. On average, the fund portfolio had an active share of 87% at the end of 2019. In comparison: an index-tracking fund, or ETF, that follows the benchmark has an active part of 0%.

A third measure of risk is the portfolio's beta, a means of gauging the degree to which the portfolio moves along with the market. A portfolio with a beta above 1 is subject to greater fluctuations than the market. The fund's beta came to 0.98 at the end of the year, thus slightly less than 1. Clearly, the value of beta does not represent a goal in itself but rather results from the stocks selected for the portfolio.

Report by the manager (continued)

Investment result (continued)

Return and risk (continued)

The fund has a long-term investment horizon of three to five years: we buy stocks that we expect to remain in the portfolio for an average of three to five years. In 2019 the fund's portfolio turnover was 69% (double counting). In other words, around a fifth of the portfolio holdings changed. This corresponds to an investment horizon of three to five years.

Risk management

A description of the risk management can be found in the notes to the financial statements on pages 22 through 29.

Movements in net assets

During the reporting period the net assets of Robeco Sustainable Global Stars Equities Fund rose by EUR 434.7 million to EUR 2,812.0 million. This increase can be explained by the following items. On balance, stocks to the amount of EUR 244.6 million were bought. Adding the net result increased these assets by EUR 741.4 million. EUR 62.1 million was distributed in dividend.

Survey of movements in net assets

	2019 EUR' 000	2018 EUR' 000
Assets at opening date	2,377,285	2,686,753
Company shares issued	53,398	75,351
Company shares repurchased	(298,009)	(240,535)
Situation on closing date	2,132,674	2,521,569
Investment income	51,432	54,287
Receipts on surcharges and discounts on issuance and repurchase of own shares	252	283
Management fee	(19,587)	(19,185)
Service fee	(3,083)	(3,000)
Other costs	(258)	(351)
	28,756	32,034
Changes in value	712,656	(109,163)
Net result	741,412	(77,129)
Dividend paid	(62,102)	(67,155)
Assets at closing date	2,811,984	2,377,285

Remuneration policy

The fund itself does not employ any personnel and is managed by RIAM. In the Netherlands, persons performing duties for the fund at management-board level and portfolio managers are employed by Robeco Nederland B.V. The remuneration for these persons comes out of the management fee. RIAM's remuneration policy, that applies to all staff working under RIAM's responsibility, meets the applicable requirements of the European frameworks of the AIFMD, MiFID, the UCITS Directive, the ESMA guidelines on sound remuneration policies under the UCITS Directive, as well as the Dutch Remuneration Policy (Financial Enterprises) Act (Wet belongingsbeleid financiële ondernemingen). The remuneration policy has the following objectives:

- a) To stimulate employees to act in the best interests of clients and avoid taking undesirable risks.
- b) To promote a healthy corporate culture, with a strong focus on sustainable results in accordance with the long-term objectives of RIAM and its stakeholders.
- c) To attract and retain good staff and to reward talent and performance fairly.

Responsibility for the remuneration policy

The Supervisory Board of RIAM supervises the correct application of the remuneration policy and is responsible for the annual evaluation. Changes in the remuneration policy have to be approved by the Supervisory Board of RIAM. The Nomination & Remuneration Committee of the Supervisory Board of RIAM provides advice to the Supervisory Board of RIAM in the execution of these tasks, with the involvement of the HR Department and the relevant internal control officers. In the application and evaluation of the remuneration policy, RIAM regularly makes use of the services of various external advisers. The remuneration of fund managers consists of a fixed component and a variable component.

Fixed remuneration

The fixed salary of each employee is based on his/her role and experience and is in accordance with the RIAM salary ranges, which have also been derived from benchmarks in the investment management sector. The fixed salary is deemed to be adequate remuneration for the employee to properly execute their responsibilities, regardless of whether the employee receives any variable remuneration.

Report by the manager (continued)

Remuneration policy (continued)

Variable remuneration

In accordance with the applicable laws and regulations, the available budget/pool for variable remuneration is approved in advance by the Supervisory Board of RIAM based on a proposal made by the Nomination & Remuneration Committee of the Supervisory Board of RIAM. The total budget/pool is based, in principle, on a percentage of RIAM's operating result. In order to ensure that the total variable remuneration accurately reflects the performance of RIAM and the funds that it manages, when determining the budget/pool, a correction is made for risks that may occur in the year concerned and furthermore for multiple-year risks that may affect the risk profile of RIAM.

The variable remuneration component for the fund managers depends on the multi-year performance of the fund. The system is linked to outperformance with regard to risk-adjusted pre-determined annual targets. The calculated outperformance over a one-year, three-year and five-year period is taken into account when determining the variable remuneration. Also important in this determination are behavior, the extent to which team- and individual qualitative and predetermined objectives have been achieved and the extent to which Robeco corporate values are observed. The fund manager's contribution to the various organizational objectives is also taken into consideration. Poor performance, unethical or non-compliant behavior will reduce individual awards or can even result in no variable remuneration being awarded at all. For the senior fund manager, the Identified Staff regime also applies (see below).

Identified Staff

RIAM has a specific and more stringent remuneration policy for employees who could have a material impact on the risk profile of the fund. These employees are designated to be 'Identified Staff'. For 2019, in addition to the Management Board, RIAM has designated 99 employees as Identified Staff, including all senior portfolio managers, senior management and the heads of the control functions (HR, Compliance, Risk Management, Business Control, Internal Audit and Legal). Among other things the performance targets of these employees that are used to determine the award of variable pay are subject to additional risk analyses, both prior to the performance year and at the end when the results are evaluated. In addition, in all cases at least 70% of the payment of variable remuneration granted to these employees will be deferred for a period of four years, and 50% will be converted into instruments ('Robeco Cash Appreciation Rights') whose value will follow the company's future results.

Risk control

RIAM has implemented additional risk management measures with regard to the variable remuneration. For instance, RIAM has the possibility with regard to all employees to reclaim the granted variable remuneration ('claw-back') when this has been based on incorrect assumptions, fraudulent acts, serious improper behavior, serious neglect of duties or behavior that has resulted in a considerable loss for RIAM. After the granting but before the actual payment of the deferred variable remuneration components to Identified Staff, an additional assessment is performed to check whether new information would result in decreasing the previously granted remuneration components (the so-called 'malus arrangement'). The malus arrangement can be applied because of (i) misconduct or a serious error of judgement on the part of the employee (ii) a considerable deterioration of RIAM's financial results that was not foreseen at the time the remuneration was granted (iii) a serious violation of the risk management system, leading to changed circumstances compared with the granting of the variable remuneration or (iv) fraud committed by the employee concerned.

Annual assessment

RIAM's remuneration policy and the application thereof was evaluated in 2019 under the responsibility of the Supervisory Board of RIAM, advised by the Nomination & Remuneration Committee of the Supervisory Board of RIAM. As a result no material changes were necessary to the remuneration policy.

Remuneration in 2019

Of the total amounts granted in remuneration¹ in 2019 to the group's Board, Identified Staff and Other Employees, the following amounts are to be assigned to the fund:

Remuneration in EUR x 1

Staff category	Fixed pay for 2019	Variable pay for 2019
Board (4 members)	35,335	40,416
Identified Staff (99) (ex Board)	338,326	224,826
Other employees (655 employees)	919,687	260,209

The total of the fixed and variable remuneration charged to the fund is EUR 1,818,799. Imputation occurs according to the following key:

$$\text{Total remuneration (fixed and variable)} \times \frac{\text{Total fund assets}}{\text{Total assets under management (RIAM)}}$$

The fund itself does not employ any personnel and has therefore not paid any remuneration above EUR 1 million.

¹ The remunerations relate to activities performed for one or more Robeco entities.

Report by the manager (continued)

Remuneration policy (continued)

Remuneration manager

The manager (RIAM) has paid to 3 employees a total remuneration above EUR 1 million.

Sustainable investing

Sustainable investing is one of the main pillars of Robeco's strategy and is firmly anchored in our investment convictions. We are convinced that including ESG¹ factors leads to better investment decisions. We are also convinced that exercising our voting rights and engaging in a dialogue with companies have a positive effect on the investment result and society in general. During 2019, we made every effort to further stimulate Sustainable investing at Robeco and beyond.

All Robeco's investment activities comply with the United Nations Principles for Responsible Investing (UNPRI). In 2019, Robeco was awarded an A+ for most of the modules that were assessed as part of the UN Principles for Responsible Investment (UN PRI) 2019 report. This was the sixth year in a row that Robeco obtained the highest score for the majority of the modules assessed by UNPRI. Responsibility for implementing Sustainable investing lies with the Head of Investments, who also has a seat on Robeco's Executive Committee.

¹ ESG is the abbreviation of 'Environmental, Social and Governance', which refers to factors relating to the environment, society and corporate governance.

Focus on stewardship

Fulfilling our responsibilities in the field of stewardship forms an integral part of Robeco's approach to Sustainable investing. A core aspect of Robeco's mission is fulfilling our fiduciary duties towards our clients and beneficiaries. Robeco manages investments for a variety of clients with different investment needs. We always strive in everything we do to serve our clients interests to the best of our ability.

In our view, the fact that more and more stewardship codes are being introduced around the globe is a positive development, and we are strong advocates of active ownership. For this reason we publish our own stewardship policy on our website. This policy describes how we deal with possible conflicts of interest, how we monitor the companies in which we invest, how we conduct activities in the field of engagement and voting, and how we report on our stewardship activities.

To mark our strong commitment to stewardship, we have become signatories to many different stewardship codes. In 2018 Eumedion, the Dutch governance platform for institutional investors, published a Dutch stewardship code. Robeco was a participant in the working group that wrote this code. In previous years we became signatories to the stewardship codes of the United Kingdom, Japan and Brazil. In addition, Robeco a.o. meets the Taiwanese Stewardship Principles for Institutional Investors, the US ISG stewardship principles, the Principles for Responsible Ownership in Hong Kong, Singapore Stewardship Principles and the Korean Stewardship Code.

Contributing to the Sustainable Development Goals

Robeco is a signatory in the Netherlands to the Sustainable Development Goals Investing Agenda. To help our customers contribute to the objectives, we worked on analyzing the SDG² contribution of companies and developing SDG investment solutions. Currently multiple solutions are available both in equity and fixed income and the amount of assets that are managed in line with this SDG methodology is increasing rapidly.

² Sustainable Development Goals

Furthermore, Robeco contributes to the SDGs by integrating ESG factors in its decision-making process for investments and encourages companies to act in support of these goals by means of a constructive dialogue. The SDGs are continually considered during the engagement and voting activities. These therefore present the opportunity to emphasize the effect that engagement can have on society. Robeco's Active Ownership team would like new themes to always be directly linked to at least one of the goals. In 2019 we started engaging with companies for example on Palm Oil, directly linked to SDG 12 and 15, with a clear objective to improve the Roundtable on Sustainable Palm Oil (RSPO) certification and mitigate deforestation.

ESG integration by Robeco

Sustainability can bring about changes in markets, countries and companies in the long term. And since changes affect future performance, ESG factors can in our view add value to our investment process. We therefore look at these factors in the same way as we consider a company's financial position or market momentum. We have research available from leading sustainability experts, including our sister company RobecoSAM. The dedicated Sustainable Investing research team works together very closely with the investment teams to provide them with in-depth sustainability information.

The investment analysis focuses on the most material ESG factors and the connection with the financial performance of a company. We can then focus on the most relevant information in performing our investment-analysis and can reach enhanced investment decisions. Besides integrating ESG, Active Ownership and exclusions into all of our investment processes, in 2019 we continued developing new sustainable investment funds with specific sustainable goals and criteria. Furthermore we measured carbon footprints and climate change risks in our portfolios in order to gain more insight and create awareness.

Report by the manager (continued)

Sustainable investing (continued)

Exclusion

Robeco pursues an exclusion policy for companies that are involved in the production of or trade in controversial weapons such as cluster munition and anti-personnel mines, for tobacco companies and for companies that seriously and habitually violate either the United Nations Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises. We apply strict criteria for this last category and if a dialogue fails the company will be excluded. Robeco publishes its exclusion policy and the list of exclusions on its website. In 2019 Robeco developed a palm oil policy. Robeco considers the production of palm oil a process with significant environmental and social risks, leading to breaches of the UN Global Compact when this product is not produced sustainably. Listed companies that have less than 20% of their plantations certified to sustainability standards are excluded from fund investments. Other palm oil producing companies are part of an engagement program where Robeco requires them to make progress towards full RSPO certification and addresses potential controversies and breaches of the UN Global compact.

Active ownership

Constructive and effective activities under active ownership encourage companies to improve their management of risks and opportunities in the field of ESG. This in turn establishes a better competitive position and improved profitability and moreover has a positive impact on the community. Active ownership involves voting and engagement. Robeco exercises its voting rights for the shares in its investment funds all over the world. In addition, Robeco enters into an active dialogue with the companies in which it invests on questions concerning the environment, society and corporate governance. In 2019, our activities towards achieving active ownership were again awarded high scores under the Principles for Responsible Investment (PRI). Robeco has Active Ownership specialists in both Rotterdam and Hong Kong. In 2019 Robeco engaged with over 220 companies on different issues ranging from corporate governance to data privacy to climate change. The primary focus of this engagement is to address strategic ESG issues that might affect value creation in the long term. Hereafter, two 2019 case studies are provided to illustrate Robeco's approach towards fulfilling our stewardship responsibilities.

Robeco's Active Ownership successful in engagement with the Auto Industry

In the engagement theme ESG Challenges in the Auto Industry key elements of discussion included the alignment of companies' strategies with a low-carbon future, including their ability to comply with emissions standards, and the need to focus on innovation and to finetune product development to make sure their future products meet client demand and regulatory requirements. Our success with a German carmaker is unique in a sector that struggles with the transition to a low-carbon economy.

During a three-year engagement, the German automotive company announced its ambition to achieve net-zero emissions fleet by 2039, and committed to carbon-neutral energy supply by 2022 in line with our request. In addition, the company is the first carmaker to tie quantitative metrics on sustainable mobility in the executive remuneration policy. Overall, the company's net-zero fleet commitment is considered best practice in the industry.

The engagement has taken place in collaboration with Transition Pathway Initiative (TPI) and the Institutional Investors Group on Climate Change (IIGCC), of which Robeco co-ordinates the Advisory Committee on automotives.

The model the company has followed is similar to the earlier success booked by Robeco's Active Ownership team with Royal Dutch Shell, the first company to link climate targets to executive remuneration.

Leading the financial sector in Palm Oil Engagement

Early 2019, Robeco has stepped up engagement with the producers of palm oil to address sustainability issues in the industry. As a responsible investor, Robeco has been engaging with palm oil producers, traders and buyers on sustainability-related issues since 2010. Palm oil is a vital commodity that is an essential ingredient in many consumer goods, from chocolates to shampoo. As the most land-efficient and versatile vegetable oil, its cultivation as a cash crop is highly profitable.

However, the industry continues to face significant problems related to deforestation, its large carbon footprint, and labor standards in emerging markets. Robeco's new approach to address these problems is a combination of enhanced engagement and sustainability investing methodology.

With enhanced engagement, we formulate minimum standards that companies need to meet after three years of engagement to ensure eligibility in our investment universe. For the methodology, Robeco now conducts a sector screen that benchmarks companies according to the amount of land that has been certified by RSPO, a not-for-profit group that Robeco joined in January as the first investor.

Robeco plays an active role in multiple collaborations regarding palm oil, strongly believing in the premise that we are stronger together. Within the RSPO, Robeco is member of the Financial Institutions working group, the deforestation group as well as member of the Complaints Panel. Within the PRI Robeco is part of the advisory committee of the Engagement working groups related to Deforestation, Labor Standards in Agricultural supply chain, and Palm Oil. Last, Robeco joined the Sustainable Palm Oil Choice to contribute to the transition to 100% sustainable palm oil in Europe.

Report by the manager (continued)

Sustainable investing (continued)

Voting

In 1998, Robeco started voting for its investment funds and on behalf of its institutional clients. The votes are cast by specialized voting analysts in the Active Ownership team. We attend several shareholder meetings ourselves, but in most cases we cast our votes electronically. Our voting activities are published shortly after the shareholders' meetings on our website, in line with best practice regarding voting transparency.

Our extensive voting policy is based on 20 years of experience and insight, and we anticipate the specific policy requests of our mandates if necessary. We vote at all meetings where this is possible. In practice, we only refrain from voting in the event of share blocking. In such cases, we assess the importance of the meeting and the influence of our positions on the voting.

Our voting policy and our analysis are based on the internationally accepted principles of the International Corporate Governance Network (ICGN) and on local directives. These principles constitute an extensive framework for assessing the corporate governance practices of companies. They also provide sufficient latitude for companies to be assessed on the basis of local standards, national legislation and codes of conduct for corporate governance. In our assessment we take into account company-specific circumstances.

Important decisions are taken in close consultation with the portfolio managers and the analysts in Robeco's investment teams and with our engagement specialists. The information we receive during shareholders' meetings is taken into account in our engagement activities and in the investment process followed by the Robeco funds.

We voted at 39 shareholder meetings on behalf of Robeco Sustainable Global Stars Equities Fund N.V. At 27 (69%) of the 39 meetings, we cast at least one vote not in line with management's recommendation.

Engagement

Since as early as 2005, we have encouraged management board members from the companies in which we invest to practice good corporate governance and to strive to achieve an environmentally and socially friendly policy. The aim of our engagement is to increase shareholder value in the long term and to achieve a positive impact on society. For Robeco, engagement and voting are important elements for achieving a successful integrated strategy for Sustainable investing that will lead to enhanced investment decisions and can improve the risk/return profile of our portfolios.

For our engagement activities we use a focused approach in which we enter into a constructive dialogue with a relevant selection of companies in which we invest. This dialogue deals with ESG factors such as quality of management, human rights and management of environmental risks. We differentiate between two types of engagement: the proactive Value Engagement approach and the Enhanced Engagement approach following a violation of the principles of the UN Global Compact and OECD Guidelines for Multinational Enterprises.

Our Value Engagement activities focus on a small number of sustainability themes with the greatest potential for value creation for the companies in which we invest. We select these themes on the basis of financial materiality by carrying out a baseline measurement and formulating engagement profiles for the companies we enter into a dialogue with. We select new engagement themes in close consultation with engagement specialists, portfolio managers and analysts, who work together closely throughout the dialogue. We give priority to companies in Robeco's portfolios with the greatest exposure to the selected engagement theme.

Our Enhanced Engagement program focuses on companies whose actions conflict seriously and systematically with the principles of the United Nations Global Compact (UNGC) in the field of human rights, labor, the environment and anti-corruption and OECD Guidelines for Multinational Enterprises. With this program we try to exert an influence on these companies to persuade them to act in accordance with the UNGC principles and OECD Guidelines. Our engagement normally lasts three years, during which time we hold regular meetings and conference calls with representatives from the company and monitor progress made on the engagement objectives.

If an Enhanced Engagement dialogue does not lead to the desired result, Robeco can exclude this company from Robeco's investment universe. The Enhanced Engagement process is a formal part of Robeco's exclusion policy.

For Robeco Sustainable Global Stars Equities Fund N.V. we entered into a dialogue with 23 companies, involving 23 Value Engagements and no Enhanced Engagements.

Integration of ESG factors in investment processes

ESG factors give sustainability context. ESG stands for Environmental (world around us), Social (relating to a company as employer) and Governance (relating to the structure of executive management). We believe that sustainability investing improves the risk-return profile of a portfolio. Taking into account information in the field of the environment, society and good governance provides extra insight based on which well-founded investment decisions can be taken. Companies that take the environment, society and good corporate governance into account will in the long term come out as winners. Ignoring ESG factors leads to reputation and financial risks.

Report by the manager (continued)

In Control Statement

Robeco Institutional Asset Management B.V. has a description of internal control, which is in line with the requirements of the Wet op het financieel toezicht (“Wft”) and the Besluit gedragstoezicht financiële ondernemingen (“BGfo”).

Findings

Recently, we have been informed that the AFM has determined that we are to undertake remedial measures with respect to our compliance framework regarding customer due diligence, transaction monitoring and related requirements for RIAM’s direct retail distribution channel, and that the AFM intends to impose an order on the manager in this respect. We are committed to ensuring full compliance with all relevant laws and regulations, and we will extend our ongoing compliance enhancements to incorporate these measures. Any related costs are borne by the manager and have no consequence for investors in the fund.

Report of internal control

Except for the aforementioned findings, we noted nothing that would lead us to conclude that operational management does not function as described in this statement. We therefore declare with reasonable assurance that the design of internal control, as mentioned in article 121 BGfo meets the requirements of the Wft and related regulations and that operational management has been effective and has functioned as described throughout the reporting year, except for the findings described above. Based upon this conclusion, we as the Board of Directors of Robeco Institutional Asset Management B.V. are committed to have a description of internal control which meets the requirements mentioned in article 121 BGfo and we will extend our ongoing compliance enhancements to incorporate required measures.

Rotterdam, 30 April 2020
The Manager

Annual financial statements

Balance Sheet

Before profit appropriation	Notes	31/12/2019	31/12/2018
		EUR' 000	EUR' 000
ASSETS			
Investments			
Equities	1	2,795,457	2,236,227
Derivatives	2	3,409	5,283
Total investments		2,798,866	2,241,510
Accounts receivable			
Receivables on securities transactions		2	2
Dividends receivable	3	695	193
Interest receivable		–	1
Receivables on collateral provided	4	3,620	450
Other receivables, prepayments and accrued income	5	7,463	5,965
Total accounts receivable		11,780	6,611
Other assets			
Cash and cash equivalents	6	9,829	140,464
LIABILITIES			
Investments			
Derivatives	2	3,443	5,936
Accounts payable			
Interest payable		14	27
Payables on securities transactions		1	–
Payable to affiliated parties	8	2,059	1,734
Other liabilities, accruals and deferred income	9	2,974	3,603
Total accounts payable		5,048	5,364
Accounts receivable and other assets less accounts payable		16,561	141,711
Assets less liabilities		2,811,984	2,377,285
Composition of shareholders' equity			
	10, 11		
Issued capital	10	58,885	64,580
Revaluation reserve	10	3,409	5,284
Other reserve	10	2,008,278	2,384,550
Undistributed earnings	10	741,412	(77,129)
Shareholders' equity		2,811,984	2,377,285

The numbers of the items in the financial statements refer to the numbers in the Notes.

Annual financial statements (continued)

Profit and loss account

	Notes	2019 EUR' 000	2018 EUR' 000
Investment income	12	51,432	54,287
Unrealized gains	1, 2	600,456	343,385
Unrealized losses	1, 2	(70,108)	(606,779)
Realized gains	1, 2	315,100	312,578
Realized losses	1, 2	(132,792)	(158,347)
Receipts on surcharges and discounts on issuance and repurchase of own shares		252	283
Total operating income		764,340	(54,593)
Costs	16, 17		
Management fee	13	19,587	19,185
Service fee	13	3,083	3,000
Other costs	15	258	351
Total operating expenses		22,928	22,536
Net result		741,412	(77,129)

The numbers of the items in the financial statements refer to the numbers in the Notes.

Annual financial statements (continued)

Cash flow statement

	Notes	2019 EUR' 000	2018 EUR' 000
Cash flow from investment activities			
Net result		741,412	(77,129)
Unrealized changes in value	1, 2	(530,348)	263,394
Realized changes in value	1, 2	(182,308)	(154,231)
Purchase of investments	1, 2	(1,022,869)	(870,993)
Sale of investments	1, 2	1,177,259	1,111,166
Increase (-)/decrease (+) accounts receivable	3, 4, 5	(4,892)	952
Increase (+)/decrease (-) accounts payable	8, 9	349	(2,399)
		178,603	270,760
Cash flow from financing activities			
Received for shares subscribed		53,398	75,351
Paid for repurchase of own shares		(298,009)	(240,535)
Dividend paid		(62,102)	(67,155)
Increase (-)/decrease (+) accounts receivable	5	(277)	(369)
Increase (+)/decrease (-) accounts payable	9	(665)	1,055
		(307,655)	(231,653)
Net cash flow		(129,052)	39,107
Currency and cash revaluation		(1,583)	4,239
Increase (+)/decrease (-) cash		(130,635)	43,346
Cash at opening date	6	140,464	98,163
Accounts payable to credit institutions at opening date	7	–	(1,045)
Total cash at opening date		140,464	97,118
Cash at closing date	6	9,829	140,464
Total cash at closing date		9,829	140,464

The numbers of the items in the financial statements refer to the numbers in the Notes.

Notes

General

The annual financial statements have been drawn up in conformity with Part 9, Book 2 of the Dutch Civil Code and the Wft. The fund's financial year is the same as the calendar year. The notes referring to fund shares concern ordinary shares outstanding.

The original financial statements were drafted in Dutch. This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

The ordinary shares are divided into two series, both of which are open. Each series is designated as a share class. The fund includes the following share classes:

Share class A: Robeco Sustainable Global Stars Equities Fund

Share class B: Robeco Sustainable Global Stars Equities Fund - EUR G

Accounting principles

General

The financial statements are produced according to the going concern assumption. Unless stated otherwise, items shown in the financial statements are stated at nominal value and expressed in thousands of euros. Assets and liabilities are recognized or derecognized in the balance sheet on the transaction date.

Change of accounting principles

Due to a change in regulation, any unrealized gains on over-the-counter derivatives without a frequent market quotation will be added to a revaluation reserve with effect from 1 January 2019. The revaluation reserve is not available for distribution of dividend. After expiration or sale of the contract, the unrealized gains will be realized and released to the other reserves to be available for distribution. Previously, these unrealized gains were part of the other reserves directly. The comparative figures over 2018 have been changed accordingly, reallocating an amount of EUR 5,284 thousand from the other reserves to the revaluation reserve. This change has no effect on the fund's assets or the result.

Liquidity of ordinary shares

The fund is an open-end investment company, meaning that, barring exceptional circumstances, it issues and repurchases ordinary shares on a daily basis at prices approximating net asset value, augmented or reduced by a limited surcharge or discount. The only purpose of this surcharge or discount is to cover the costs incurred by the fund for the entry and exit of investors. The maximum current surcharge or discount is 0.35%. The surcharges and discounts are recognized in the profit and loss account.

Financial investments

Financial investments are classified as trading portfolio and are valued at fair value, unless stated otherwise. The fair value of stocks is determined on the basis of market prices and other market quotations at closing date. For derivatives and futures, the value is based on the market price and other market quotations at closing date. For forward exchange contracts, internal valuation models are used and the value is based on quoted currency rates and reference interest rates at closing date. Transaction costs incurred in the purchase and sale of investments are included in the purchase or sale price as appropriate. Transaction costs incurred in the purchase of investments are therefore recognized in the first period of valuation as part of the value changes in the profit and loss account. Transaction costs incurred in the sale of investments are part of the realized results in the profit and loss account. Changes to the valuation model for forward currency contracts may lead to a different valuation. Derivative instruments with a negative fair value are recognized under the derivatives item under investments on the liability side of the balance sheet.

Recognition and derecognition of items in the balance sheet

Investments are recognized or derecognized in the balance sheet on the transaction date. Equities and derivatives are recognized in the balance sheet on the date the purchase transaction is concluded. Equities are derecognized in the balance sheet on the date the sale transaction is concluded. Derivatives are fully or partially derecognized in the balance sheet on the date the sales transaction is concluded or if the contract is settled on the expiry date. Accounts receivable and payable are recognized in the balance sheet on the date that contractual rights or obligations with respect to the receivables or payables arise. Receivables and payables are derecognized in the balance sheet when, as a result of a transaction, the contractual rights or obligations with respect to the receivables or payables no longer exist.

Presentation of derivatives

Derivatives are recognized in the balance sheet at fair value. The presentation of the fair value is based on the liabilities and receivables per contract. The receivables are reported under assets and obligations are reported under liabilities. The value of the derivatives' underlying instruments is not included on the balance sheet. Where applicable, the underlying value of derivatives is included in the information provided on the currency and concentration risk.

Notes (continued)

Accounting principles (continued)

Cash and cash equivalents

Cash and cash equivalents are carried at nominal value. If cash is not freely disposable, this is factored into the valuation.

Cash expressed in foreign currencies is converted into the functional currency as at the balance sheet date at the exchange rate applicable on that day. Please refer to the currency table on page 38.

Accounts receivable

Receivables are valued after initial recognition at amortized cost based on the effective interest method, less impairments. Given the short-term character of the receivables, the value is equal to the nominal value.

Debt

Non-current debts and other financial obligations are valued, after initial recognition, at the amortized cost price based on the effective interest method. Given the short-term character of the debt, the value is equal to the nominal value.

Foreign currencies

Transactions in currencies other than the euro are converted into euros at the exchange rates valid at the time. Assets and liabilities expressed in other currencies are converted into euros at the exchange rate prevailing at balance-sheet date. The exchange rate differences thus arising or exchange rate differences arising on settlement are recognized in the profit and loss account. Investments in foreign currencies are converted into euros at the rate prevailing on the balance sheet date. This valuation is part of the valuation at fair value. Exchange rate differences are recognized in the profit and loss account under changes in value.

Securities lending

Investments for which the legal ownership has been transferred by the fund for a given period of time as a result of securities-lending transactions, will continue to be included in the fund's Balance sheet during this period, since their economic advantages and disadvantages, in the form of investment income and changes in value, will be added to or deducted from the fund's result. The way in which collateral ensuing from securities-lending transactions is reported depends on the nature of this collateral. If the collateral is received in the form of investments these are not recognized in the balance sheet as the economic advantages and disadvantages relating to the collateral will be for the account and risk of the counterparty. If the collateral is received in cash it will be recognized in the balance sheet as in this case the economic advantages and disadvantages will be for the account and risk of the fund.

Principles for determining the result

General

Investment results are determined by investment income, rises or declines in stock prices, rises or declines in foreign exchange rates and results of transactions in currencies, including forward transactions and other derivatives. Results are allocated to the period to which they relate and are accounted for in the profit and loss account.

Recognition of income

Income items are recognized in the profit and loss account when an increase of the economic potential associated with an increase of an asset or a reduction of a liability has occurred and the amount of this can be reliably established.

Recognition of expenses

Expense items are recognized when a reduction of the economic potential associated with a reduction of an asset or an increase of a liability has occurred and the amount of this can be reliably established.

Investment income

This includes the net cash dividends declared during the year under review, the nominal value of stock dividends declared, interest received and paid and proceeds. Accrued interest at balance sheet date is taken into account.

Changes in value

Realized and unrealized capital gains and losses on securities and currencies are presented under this heading. Realization of capital gains takes place on selling as the difference between the realizable sales value and the average historical cost price. Unrealized capital gains relate to value changes in the portfolio between the beginning of the financial year and the balance sheet date, corrected by the realized gains when positions are sold or settlement takes place.

Notes (continued)

Principles for cash flow statement

General

This cash flow statement has been prepared using the indirect method. Cash comprises items that may or may not be directly callable. Accounts payable to credit institutions include debit balances in bank accounts.

Attribution to share classes

The administration of the fund is such that attribution of the results to the different share classes takes place on a daily basis and pro rata. Issues and repurchases of own shares are registered per share class.

Risk management

The presence of risks is inherent to asset management. It is therefore very important to have a procedure for controlling these risks embedded in the company's day-to-day operations. The manager (RIAM) ensures that risks are effectively controlled via the three-lines-of-defense model: RIAM management (first line), the Compliance and Risk Management departments (second line) and the Internal Audit department (third line).

The management of RIAM has primary responsibility for risk management as part of its day-to-day activities. The Compliance and Risk Management departments develop and maintain policy, methods and systems that enable the management to fulfill their responsibilities relating to risk. Furthermore, portfolios are monitored by these departments to ensure that they remain within the investment restrictions under the Terms and Conditions for Management and Custody and the prospectus, and to establish whether they comply with the internal guidelines. The Risk Management Committee decides how the risk management policies are applied and monitors whether risks remain within the defined limits. The Internal Audit department carries out audits to assess the effectiveness of internal control.

RIAM uses a risk-management and control framework that helps control all types of risk. Within this framework, risks are periodically identified and assessed as to their significance and materiality. Internal procedures and measures are focused on providing a structure to control both financial and operational risks. Control measures are included in the framework for each risk. Active monitoring is performed to establish the effectiveness of the procedures and measures of this framework.

Operational risk

Operational risk is the risk of loss as a result of inadequate or failing processes, people or systems. Robeco constantly seeks opportunities to simplify processes and reduce complexity in order to mitigate operational risks. Automation is a key resource in this regard and uses systems that can be seen as the market standard for financial institutions. The use of automation increases the risk associated with IT. This risk can be divided into three categories. The risk of access by unauthorized persons is managed using preventive and detective measures to control access to both the network and systems and data. Processes such as change management and operational management provide for monitoring of an operating system landscape. Finally, business continuity measures are in place to limit the risk of breakdown as far as possible and to recover operational status as quickly as possible in the event of a disaster. The effectiveness of these measures is tested periodically by means of internal and external monitoring.

Compliance risk

Compliance risk is the risk of sanctions, financial loss or reputation damage as a result of non-compliance with the laws and regulations applicable to the activities of Robeco and the funds it manages. Robeco's activities – collective and individual portfolio management – are subject to European and national rules of financial supervision. Observance of these rules is supervised by the national competent authorities (in the Netherlands the Authority for the Financial Markets, AFM and the Central Bank of the Netherlands, DNB). It is in the interest of investors in Robeco-managed funds that Robeco complies with all the applicable laws and regulations. Robeco has implemented a meticulous process with clear responsibilities in order to ensure that new laws and regulations are reported and implemented in a timely fashion.

Changes in the field of legislation and regulation that could affect the funds managed by Robeco also took place in 2019. An example of this is the amended Shareholder Rights Directive (SRD II), which applies as of 10 June 2019. SRD II requires institutional investors and asset managers to develop a policy on shareholder engagement and to disclose their voting and engagement policies in relation to its strategies covering EU listed equities. Necessary changes to Robeco's existing policies on these topics have been implemented in a timely manner. Mandatory disclosures on these topics have been enhanced as well and these were made easily accessible to clients.

Robeco also ensured that its policies and procedures related to the prevention of use of the financial system for money laundering and the financing of terrorism continue to be adequately designed. In 2019 policies and procedures were amended to reflect the requirements of the Fifth Anti-Money Laundering Directive (5th AMLD). The amended Directive has introduced the obligation for Robeco to publicly register the ultimate beneficial owners ('UBOs') of all its corporate entities and funds. For entities and funds domiciled in The Netherlands, necessary preparations have been made so that registrations can be made as soon as the UBO register is put into use. In addition, solid enhanced due diligence measures with respect to business relationships and transactions involving high risk countries were implemented in accordance with the 5th AMLD.

Notes (continued)

Risk management (continued)

Compliance risk (continued)

On 17 June 2019 EMIR Refit entered into force, amending the existing EMIR rules with the objective to simplify and increase the efficiency of some of its requirements and to reduce disproportionate costs and burdens. The core EMIR requirements – clearing, margin requirements, derivative transaction reporting, operational risk mitigation requirements and requirements for trade repositories/CCPs – remain unchanged. For Robeco, the implementation of EMIR Refit in particular related to the introduction of a new category of financial counterparty known as the small financial counterparty (SFC). Such SFC - whose OTC derivatives positions do not exceed any of the clearing thresholds - can under certain circumstances be exempted from the clearing obligation under EMIR. Robeco has decided not to benefit from such exemption and will continue clearing of the relevant instruments for all its funds.

Developments Financial Risk Management

Robeco is continuously working to enhance its risk management methodologies, infrastructure and processes. Over the past year, Financial Risk Management (FRM) continued with the modeling of climate risks and the integration of climate models in the risk management framework and risk management systems. These models aim to incorporate both current carbon emissions as well as forward looking based elements, such as investments in carbon footprint reduction. These analyses are done based on RobecoSAM data. In addition, FRM is collaborating with its risk management system vendor to further complement the framework with physical climate risks assets are exposed to, such as the risk of flooding, extreme heat waves or droughts.

FRM has successfully enhanced and implemented tooling to conduct style factor analysis based on Barra factors. The results of these analyses and the climate risk results are both used in portfolio risk deep dive sessions with portfolio management.

Securities lending is transferred to JPMorgan as the new lending agent. In 2019 risk management integrated securities lending data (collateral, securities) in the Robeco collateral management systems to have an integrated view on counterparty exposures.

During the year several projects took place in which FRM participated. This included enhancement of the Model Risk Management, Brexit and a transition towards new benchmark rates (IBOR).

Risks relating to financial instruments

Investment risk

The value of investments may fluctuate. Past performance is no guarantee of future results. The net asset value of the fund depends on developments in the financial markets and can therefore either rise or fall. Shareholders run the risk that their investments may end up being worth less than the amount invested, or even worth nothing. The general investment risk can also be characterized as market risk.

Market risk

Market risk can be divided into three types: price risk, currency risk and concentration risk. Market risks are contained using limits on quantitative risk measures such as tracking error, volatility or value-at-risk. This means that the underlying risk types (price risk, currency risk and concentration risk) are also indirectly contained.

Price risk

The net asset value of the fund is sensitive to market movements. In addition, investors should be aware of the possibility that the value of investments may vary as a result of changes in political, economic or market circumstances, as well as changes in an individual business situation. The entire portfolio is exposed to price risk. The degree of price risk that the fund runs depends among other things on the risk profile of the fund's portfolio. More detailed information on the risk profile of the fund's portfolio can be found in the section on Return and risk on page 10.

Currency risk

All or part of the securities portfolio of the fund may be invested in currencies, or financial instruments denominated in currencies other than the euro. As a result, fluctuations in exchange rates may have both a negative and a positive effect on the investment result of the fund. Currency risks may be hedged with currency forward transactions and currency options. Currency risks can be limited by applying relative or absolute currency concentration limits.

Notes (continued)

Risks relating to financial instruments (continued)

Market risk (continued)

Currency risk (continued)

As at the balance sheet date, there were no positions in currency futures contracts.

The table below shows the gross and net exposure to the various currencies, including cash, receivables and debts. Further information on the currency policy can be found on page 9.

Currency exposure	31/12/2019	31/12/2019	31/12/2019	31/12/2019	31/12/2018
	Gross position EUR' 000	Exposure to forward exchange contracts EUR' 000	Net position EUR' 000	% of net assets	% of net assets
AUD	–	65,396	65,396	2.32	2.70
CAD	–	86,633	86,633	3.08	3.40
CHF	188,386	(87,628)	100,758	3.58	3.30
DKK	69,729	(47,824)	21,905	0.78	0.60
EUR	457,200	(160,116)	297,084	10.56	10.24
GBP	109,168	43,771	152,939	5.44	5.98
HKD	82,058	(48,311)	33,747	1.20	1.49
JPY	3	225,485	225,488	8.02	8.52
NOK	–	6,444	6,444	0.23	0.27
SEK	30,427	(8,869)	21,558	0.77	0.52
SGD	–	15,365	15,365	0.55	0.62
TWD	28,071	–	28,071	1.00	2.11
USD	1,846,976	(90,380)	1,756,596	62.47	60.25
Total	2,812,018	(34)	2,811,984	100.00	100.00

All outstanding forward currency contracts have a remaining life of less than one year.

Concentration risk

Based on its investment policy, the fund may invest in financial instruments from issuing institutions that operate mainly within the same sector or region, or in the same market. In the case of concentrated investment portfolios, events within the sectors, regions or markets in which they invest have a more pronounced effect on the fund assets than in less concentrated investment portfolios. Concentration risks can be limited by applying relative or absolute country or sector concentration limits.

Notes (continued)

Risks relating to financial instruments (continued)

Market risk (continued)

Concentration risk (continued)

As at the balance sheet date, there were no positions in stock market index futures contract.

The table below shows the exposure to stock markets through stocks per country in amounts and as a percentage of the fund's total equity capital.

Concentration risk by country

		31/12/2019	31/12/2019	31/12/2018
	Equities	Total	% of	% of
	EUR' 000	exposure	net assets	net assets
		EUR' 000		
Denmark	69,494	69,494	2.47	2.04
Finland	135,291	135,291	4.81	0.91
France	114,046	114,046	4.06	8.00
Germany	88,766	88,766	3.16	2.76
Hong Kong	82,055	82,055	2.92	1.49
Ireland	172,259	172,259	6.12	6.24
Netherlands	33,435	33,435	1.19	4.97
Sweden	30,426	30,426	1.08	0.23
Switzerland	187,650	187,650	6.68	3.05
Taiwan	27,444	27,444	0.97	2.09
United Kingdom	182,716	182,716	6.50	11.10
United States of America	1,671,875	1,671,875	59.45	51.19
Total	2,795,457	2,795,457	99.41	94.07

The sector concentrations are shown below.

Concentration risk by sector

	31/12/2019	31/12/2018
	% of net assets	% of net assets
Communication Services	17.20	13.84
Consumer Discretionary	6.12	3.86
Consumer Staples	6.11	7.07
Energy	7.42	6.60
Financials	9.94	12.39
Health Care	14.85	11.10
Industrials	8.78	11.72
Information Technology	25.71	21.00
Materials	3.28	6.49
Other assets and liabilities	0.59	5.93
Total	100.00	100.00

Leverage risk

The fund may make use of derivative instruments, techniques or structures. They may be used for hedging risks, and for achieving investment objectives and ensuring efficient portfolio management. These instruments may be leveraged, which will increase the fund's sensitivity to market fluctuations. The risk of derivative instruments, techniques or structures will always be limited within the conditions of the fund's integral risk management. The degree of leveraged financing in the fund, measured using the gross method (where 0% exposure indicates no leveraged financing) over the year, as well as on the balance sheet date, is shown in the table below. The gross method means that the absolute underlying value of the long positions and the short positions in derivatives are added up and represented as a percentage of the assets.

	Lowest exposure during the reporting year	Highest exposure during the reporting year	Average exposure during the reporting year	Exposure at the reporting year end
Robeco Sustainable Global Stars Equities Fund N.V.	18%	61%	26%	27%

Notes (continued)

Risks relating to financial instruments (continued)

Counterparty risk

Counterparty risk is an unintentional form of risk that is a consequence of the investment policy. It occurs when a counterparty of the fund fails to fulfill its financial obligations arising from financial transactions with the fund. Counterparty risk is limited as far as possible by exercising an appropriate degree of caution in the selection of counterparties. In selecting counterparties, the assessments of independent rating bureaus are taken into account, as are other relevant indicators. Wherever it is customary in the market, the fund will demand and obtain collateral in order to mitigate counterparty risk. The figure that best represents the maximum credit risk is given in the table below.

	31/12/2019		31/12/2018	
	EUR' 000	% of net assets	EUR' 000	% of net assets
Unrealized gain on derivatives	3,409	0.12	5,283	0.22
Accounts receivable	11,780	0.42	6,611	0.28
Cash and cash equivalents	9,829	0.35	140,464	5.91
Total	25,018	0.89	152,358	6.41

No account is taken of collateral received in the calculation of the total credit risk. Counterparty risk is contained by applying limits on the exposure per counterparty as a percentage of the fund assets. As at the balance sheet date there were no counterparties with an exposure of more than 5% of the fund's total assets.

Risk of lending financial instruments

In the case of securities-lending transactions, collateral is requested and obtained for those financial instruments that are lent. In the case of securities-lending transactions, the fund incurs a specific type of counterparty risk that the borrower cannot comply with the obligation to return the financial instruments on the agreed date or to furnish the requested collateral. The lending policy of the fund is designed to control these risks as much as possible. To mitigate specific counterparty risk, the fund receives collateral prior to lending the financial instruments.

The creditworthiness of counterparties in securities-lending transactions is assessed on the basis of how independent rating agencies regard their short-term creditworthiness and on the basis of their net assets. Guarantees given by parent companies are also taken into account.

The fund accepts collateral in the form of:

- government bonds with a minimum investment grade¹ credit rating;
- bonds of supranational bodies with a minimum investment grade¹ credit rating;
- stocks listed on the main indexes of stock markets in OECD countries;
- stocks listed on the main indexes of stock markets in non-OECD countries;
- cash.

¹ Credit rating designations BBB or above are considered investment grade.

In addition, concentration limits are applied to collateral to restrict concentration risks in the collateral and there are also liquidity criteria for containing the liquidity risks in the collateral. Finally, depending on the type of lending transaction and the type of collateral, collateral with a premium is requested relative to the value of the lending transaction. This limits the negative effects of price risks in the collateral.

The table below gives an overview of the positions lent out as a percentage of the portfolio (total of the instruments lent out) and relative to the fund's assets.

Positions lent out

Type of instrument	31/12/2019			31/12/2018		
	Amount in EUR' 000	% of portfolio	% of net assets	Amount in EUR' 000	% of portfolio	% of net assets
Shares lent out	59,118	2.11	2.10	168,471	7.53	7.09
Total	59,118	2.11	2.10	168,471	7.53	7.09

Notes (continued)

Risks relating to financial instruments (continued)

Risk of lending financial instruments (continued)

The following table gives an overview of the positions lent out and the collateral received per counterparty.

All outstanding lending transactions are transactions with an open-ended term. That means that there is no prior agreement as to how long the securities are lent out and when they may be reclaimed by the fund if required.

Counterparties

	Domicile of counterparty	Manner of settlement and clearing	31/12/2019		31/12/2018	
			Positions lent out EUR' 000	Collateral received EUR' 000	Positions lent out EUR' 000	Collateral received EUR' 000
BNP Paribas	France	Tripartite ¹	6,430	6,786	–	–
Credit Suisse	Switzerland	Tripartite ¹	–	–	180	190
Deutsche Bank	Germany	Tripartite ¹	–	–	51,496	57,234
Goldman Sachs	United States	Tripartite ¹	11,651	12,514	–	–
J.P. Morgan	United States	Tripartite ¹	–	–	74,996	83,372
Merrill Lynch	United States	Tripartite ¹	3,216	3,387	–	–
Morgan Stanley	United States	Tripartite ¹	–	–	41,799	43,890
The Bank of Nova Scotia	Canada	Tripartite ¹	2,983	3,331	–	–
UBS	Switzerland	Tripartite ¹	34,838	38,993	–	–
Total			59,118	65,011	168,471	184,686

¹ Tripartite means that the collateral is in the custody of an independent third party.

This collateral is not included on the balance sheet.

Notes (continued)

Risks relating to financial instruments (continued)

Risk of lending financial instruments (continued)

The table below contains a breakdown of collateral received according to type. All securities received have an open-ended term.

Collateral by type

	Currency	Rating of government bonds	31/12/2019 Market value in EUR' 000	31/12/2018 Market value in EUR' 000
Cash	DKK		–	43,890
Government bonds	EUR	Investment grade	7,995	–
Government bonds	GBP	Investment grade	312	–
Government bonds	JPY	Investment grade	1,588	–
Government bonds	USD	Investment grade	15,633	–
Real-estate funds listed in OECD countries	USD		433	–
Stocks listed in non-OECD countries	GBP		65	–
Stocks listed in non-OECD countries	HKD		1,761	–
Stocks listed in non-OECD countries	SGD		239	–
Stocks listed in non-OECD countries	USD		82	–
Stocks listed in OECD countries	AUD		1,032	–
Stocks listed in OECD countries	CAD		439	–
Stocks listed in OECD countries	CHF		2,013	–
Stocks listed in OECD countries	DKK		99	–
Stocks listed in OECD countries	EUR		6,621	12,497
Stocks listed in OECD countries	GBP		17,360	44,927
Stocks listed in OECD countries	JPY		1,150	–
Stocks listed in OECD countries	TWD		–	71
Stocks listed in OECD countries	USD		8,189	83,301
Total			65,011	184,686

J.P. Morgan has been appointed custodian of all collateral received. The securities are managed by RIAM and are held on separate accounts per counterparty. In line with the provisions in the prospectus, the collateral received has not been reinvested.

J.P. Morgan is the intermediary for all of the fund's securities-lending transactions. As compensation for its services, J.P. Morgan receives a fee of (A) 25% of the gross income on these securities-lending transactions for loans which generates a return of 0.5% or less and (B) 10% of the gross income from these securities-lending transactions for any loans which generate a return greater than 0.5%. An external agency periodically assesses whether the agreements between the fund and J.P. Morgan are still in line with the market. The fund's revenues and J.P. Morgan & RIAM's fee are included in the following table.

Income from securities lending

	2019			2018		
	Gross revenues in EUR' 000	Fee paid to J.P. Morgan in EUR' 000	Net fund revenues in EUR' 000	Gross revenues in EUR' 000	Fee paid to RIAM / J.P. Morgan in EUR' 000	Net fund revenues in EUR' 000
Shares lent out	82	20	62	59	15	44
Total	82	20	62	59	15	44

Liquidity risk

Liquidity risk is an unintentional form of risk that is a consequence of the investment policy. Liquidity risk occurs when financial instruments cannot be sold in a timely fashion unless additional costs are incurred. Liquidity risk can be divided into two categories: exit risk and the liquidity risk of financial instruments.

Exit risk

Exit risks occur when the fund's value is negatively affected by the exit of one or more clients, with negative consequences for existing clients. The extent to which the value of the fund can be negatively affected depends on the liquidity of the financial instruments in the portfolio, and on the concentration of clients. An exit charge is made to cover the exit costs in order to prevent exits having a negative effect on the fund.

Notes (continued)

Risks relating to financial instruments (continued)

Liquidity risk (continued)

Liquidity risk of financial instruments

The actual buying and selling prices of financial instruments in which the fund invests partly depend upon the liquidity of the financial instruments in question. It is possible that a position taken on behalf of the fund cannot be quickly liquidated at a reasonable price due to a lack of liquidity in the market in terms of supply and demand. To limit this risk, the fund invests almost entirely in financial instruments that can be traded daily, so the liquidity risk of financial instruments occurring under normal circumstances does not occur. Moreover, liquidity risks of financial instruments are contained using limits on the non-liquid portion of the securities portfolio.

Manager

Robeco Institutional Asset Management B.V. (“RIAM”) is the fund manager. In this capacity, RIAM handles the asset management, administration, marketing and distribution of the fund. RIAM holds an AIFMD license as referred to in Section 2:65 Wft. In addition, RIAM is licensed as a manager of UCITS (2:69b Wft, the Dutch Financial Supervision Act), which includes managing individual assets and giving advice on financial instruments. RIAM is subject to supervision by the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, “AFM”). RIAM has listed the fund with AFM. RIAM is a 100% subsidiary of ORIX Corporation Europe N.V. via Robeco Holding B.V. ORIX Corporation Europe N.V. is a part of ORIX Corporation.

Custodian

The assets of the fund are held in custody by J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch. J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch is appointed as the custodian of the fund as referred to in Section 4:62n Wft. The custodian is responsible for supervising the fund insofar as required under and in accordance with the applicable legislation. The manager, the fund and J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch have concluded a custody agreement.

Liability of the custodian

The custodian is liable to the fund and/or the Shareholders for the loss of a financial instrument under the custody of the custodian or of a third party to which custody has been transferred. The custodian is not liable if it can demonstrate that the loss is a result of an external event over which it in all reasonableness had no control and of which the consequences were unavoidable, despite all efforts to ameliorate them. The custodian is also liable to the fund and/or the shareholders for all other losses they suffer because the custodian has not fulfilled its obligations as stated in this custodial agreement either deliberately or through negligence. Shareholders may make an indirect claim upon the liability of the custodian through the manager. If the manager refuses to entertain such a request, the shareholders are authorized to submit the claim for losses directly to the custodian.

Affiliated parties

The fund and the manager may utilize the services of and carry out transactions with parties affiliated to the fund, as defined in the BGfo, such as RIAM, Robeco Nederland B.V and ORIX Corporation. The services entail the execution of tasks that have been outsourced to these parties such as (1) securities lending, (2) hiring temporary staff and (3) issuance and repurchase of the fund’s shares. Transactions that can be carried out with affiliated parties include the following: treasury management, derivatives transactions, lending of financial instruments, credit extension, purchase and sale of financial instruments on regulated markets or through multilateral trading facilities. All these services and transactions are executed at market rates.

Notes to the balance sheet

1. Equities

Movements in the stock portfolio

	2019 EUR' 000	2018 EUR' 000
Book value (fair value) at opening date	2,236,227	2,589,395
Purchases	1,022,869	870,993
Sales	(1,163,635)	(1,100,028)
Unrealized gains / (losses)	529,636	(262,987)
Realized gains	170,360	138,854
Book value (fair value) at closing date	2,795,457	2,236,227

EUR 40,466 thousand of the realized and unrealized results on the equity portfolio relates to exchange rate differences.

A breakdown of this portfolio is given under Schedule of Investments. A sub-division into regions and sectors is provided under the information on concentration risk under the information on Risks relating to financial instruments.

Transaction costs

Brokerage costs and exchange fees relating to investment transactions are discounted in the cost price or the sales value of the investment transactions. These costs and fees are charged to the result ensuing from changes in value. The quantifiable transaction costs are shown below.

	2019 EUR' 000	2018 EUR' 000
Equities	702	845

RIAM wants to be certain that the selection of counterparties for equity transactions (brokers) occurs using procedures and criteria that ensure the best results for the fund (best execution).

No costs for research were charged to the fund during the reporting period.

2. Derivatives

Movements in derivatives

	Forward Currency Foreign Exchange	
	2019 EUR' 000	2018 EUR' 000
Book value (fair value) at opening date	(653)	(246)
Expirations	(13,624)	(11,138)
Unrealized gains / (losses)	619	(407)
Realized gains	13,624	11,138
Book value (fair value) at closing date	(34)	(653)

The presentation of derivatives on the balance sheet is based on the liabilities and receivables per contract.

Presentation of derivatives in the balance sheet

	Assets		Liabilities		Total	
	31/12/2019 EUR' 000	31/12/2018 EUR' 000	31/12/2019 EUR' 000	31/12/2018 EUR' 000	31/12/2019 EUR' 000	31/12/2018 EUR' 000
Forward Currency Exchange Contracts	3,409	5,283	3,443	5,936	(34)	(653)
Book value (fair value) at closing date	3,409	5,283	3,443	5,936	(34)	(653)

The breakdown of the forward currency exchange contracts according to currency is given under the information on currency risk under the information on Risks relating to financial instruments.

3. Dividends receivable

These are receivables arising from net dividends declared but not yet received.

Notes to the balance sheet (continued)

4. Receivables on collateral provided

This refers to the following collateral provided to cover positions in derivatives.

Collateral provided

Counterparty	Type	Currency	31/12/2019 EUR' 000	31/12/2018 EUR' 000
Goldman Sachs	Cash	EUR	–	450
Citi	Cash	EUR	3,620	–
Total			3,620	450

5. Other receivables, prepayments and accrued income

This concerns:

	31/12/2019 EUR' 000	31/12/2018 EUR' 000
Dividend tax to be reclaimed	6,817	5,596
Sub-total (investment activities)	6,817	5,596
Receivables from issuance of new shares	646	369
Sub-total (financing activities)	646	369
Total	7,463	5,965

6. Cash and cash equivalents

This concerns:

	31/12/2019 EUR' 000	31/12/2018 EUR' 000
Freely available cash	9,829	100,483
Other cash not freely accessible	–	39,981
Total	9,829	140,464

7. Payable to credit institutions

This concerns temporary debit balances on bank accounts caused by investment transactions.

8. Payable to affiliated parties

This concerns the following payables to RIAM:

	31/12/2019 EUR' 000	31/12/2018 EUR' 000
Payable for management fee	1,779	1,497
Payable for service fee	280	237
Total	2,059	1,734

9. Other liabilities, accruals and deferred income

This concerns:

	31/12/2019 EUR' 000	31/12/2018 EUR' 000
Costs payable	94	58
Sub-total (investment activities)	94	58
Dividends payable	615	725
Payable for acquisition of own shares	2,265	2,820
Sub-total (financing activities)	2,880	3,545
Total	2,974	3,603

Notes to the balance sheet (continued)

10. Shareholders' equity

Composition and movements in shareholders' equity

	2019 EUR' 000	2018 EUR' 000
Issued capital Robeco Sustainable Global Stars Equities Fund		
Situation on opening date	31,350	34,327
Received on shares issued	586	806
Paid for shares repurchased	(4,117)	(3,783)
Situation on closing date	27,819	31,350
Issued capital Robeco Sustainable Global Stars Equities Fund - EUR G		
Situation on opening date	33,230	34,507
Received on shares issued	679	1,106
Paid for shares repurchased	(2,843)	(2,383)
Situation on closing date	31,066	33,230
Revaluation reserve		
Situation on opening date	5,284	2,570
Contribution	–	2,714
Withdrawal	(1,875)	–
Situation on closing date	3,409	5,284
Other reserves		
Situation on opening date	2,384,550	2,294,746
Received on shares issued	52,133	73,439
Paid for shares repurchased	(291,049)	(234,369)
Addition of result in previous financial year	(139,231)	253,448
Contribution to revaluation reserve	1,875	(2,714)
Situation on closing date	2,008,278	2,384,550
Undistributed earnings		
Situation on opening date	(77,129)	320,603
Robeco Sustainable Global Stars Equities Fund - dividend paid	(29,918)	(33,125)
Robeco Sustainable Global Stars Equities Fund - EUR G - dividend paid	(32,184)	(34,030)
Addition to other reserves	139,231	(253,448)
Net result for financial year	741,412	(77,129)
Situation on closing date	741,412	(77,129)
Situation on closing date	2,811,984	2,377,285

The authorized share capital amount of EUR 300 million is divided into 299,999,990 ordinary shares and 10 priority shares with a nominal value of EUR 1 each. The priority shares have already been issued. The ordinary shares are divided into 150,000,000 Robeco Sustainable Global Stars Equities Fund shares and 149,999,990 Robeco Sustainable Global Stars Equities Fund - EUR G shares. Fees are not included in the share premium reserve.

Special controlling rights under the Articles of Association

The 10 priority shares in the company's share capital are held by Robeco Holding B.V. According to the company's Articles of Association, the rights and privileges of the priority shares include the appointment of managing directors and the amendment to the Articles of Association. The Management Board of Robeco Holding B.V. determines how the voting rights are exercised:

Gilbert O.J.M. Van Hassel
 Karin van Baardwijk
 Peter J.J. Ferket
 Mark C.W. den Hollander

Notes to the balance sheet (continued)

10. Shareholders' equity (continued)

Survey of movements in net assets

	2019 EUR' 000	2018 EUR' 000
Assets at opening date	2,377,285	2,686,753
Company shares issued	53,398	75,351
Company shares repurchased	(298,009)	(240,535)
Situation on closing date	2,132,674	2,521,569
Investment income	51,432	54,287
Receipts on surcharges and discounts on issuance and repurchase of own shares	252	283
Management fee	(19,587)	(19,185)
Service fee	(3,083)	(3,000)
Other costs	(258)	(351)
	28,756	32,034
Changes in value	712,656	(109,163)
Net result	741,412	(77,129)
Dividend paid	(62,102)	(67,155)
Assets at closing date	2,811,984	2,377,285

11. Assets, shares outstanding and net asset value per share

	31/12/2019	31/12/2018	31/12/2017
Robeco Sustainable Global Stars Equities Fund			
Fund assets in EUR' 000	1,273,013	1,111,046	1,295,714
Situation of number of shares issued at opening date	31,350,646	34,327,175	41,686,459
Shares issued in financial year	586,494	806,061	1,564,148
Shares repurchased in financial year	(4,117,235)	(3,782,590)	(8,923,432)
Number of shares outstanding	27,819,905	31,350,646	34,327,175
Net asset value per share in EUR	45.76	35.44	37.75
Dividend paid per share during the financial year	1.00	1.00	1.00
Robeco Sustainable Global Stars Equities Fund - EUR G			
Fund assets in EUR' 000	1,538,971	1,266,239	1,391,039
Situation of number of shares issued at opening date	33,229,858	34,506,993	37,267,797
Shares issued in financial year	679,300	1,105,532	1,571,575
Shares repurchased in financial year	(2,843,301)	(2,382,667)	(4,332,379)
Number of shares outstanding	31,065,857	33,229,858	34,506,993
Net asset value per share in EUR	49.54	38.11	40.31
Dividend paid per share during the financial year	1.00	1.00	1.00

Notes to the profit and loss account

Income

12. Investment income

This concerns:

	2019 EUR' 000	2018 EUR' 000
Dividends received*	51,564	54,084
Interest	(194)	(287)
Net revenues from securities lending	62	44
Other**	–	446
Total	51,432	54,287

* This concerns net dividends received. Factored into this amount as withholding tax reclaimable from the country that withheld the tax plus withholding tax that is subject to a remittance reduction from the Dutch tax authorities. The remittance reduction is offset against the dividend tax payable on dividends distributed by the fund.

** This concerns a release of the provision of dividend on the K-shares of 2012 and 2013.

Costs

13. Management fee and service fee

The management fee and service fee are charged by the manager. The fees are calculated daily on the basis of the fund assets.

Management fee and service fee specified in the prospectus

	Robeco Sustainable Global Stars Equities Fund %	Robeco Sustainable Global Stars Equities Fund - EUR G %
Management fee	1.00	0.50
Service fee ¹	0.12	0.12

¹ For the share classes, the service fee is 0.12% per year on assets up to EUR 1 billion, 0.10% on assets above EUR 1 billion and 0.08% on assets above EUR 5 billion.

The management fee covers all current costs resulting from the management and marketing of the fund. If the manager outsources operations to third parties, any costs associated with this will also be paid from the management fee. The management fee for the Robeco Sustainable Global Stars Equities Fund share class also include the costs related to registering participants in this share class.

The service fee paid to RIAM covers the administration costs, the costs of the external auditor, other external advisers, regulators, costs relating to reports required by law, such as the annual and semi-annual reports, and the costs relating to the meetings of shareholders. The costs for the external auditor incurred by the fund are paid by RIAM from the service fee. The fund's result therefore does not include the costs for the external auditor. Of the costs paid by RIAM for the external auditor, EUR 8 thousand related to the audit of Robeco Sustainable Global Stars Equities Fund N.V. The other costs paid by RIAM for the external auditor relate exclusively to assurance activities for the regulator that the fund complies with the UCITS provisions and assurance activities for the examination of the prospectus.

14. Performance fee

Robeco Sustainable Global Stars Equities Fund N.V. is not subject to a performance fee.

15. Other costs

This concerns:

	2019 EUR' 000	2018 EUR' 000
Custody fee	115	173
Costs for fund agent	20	12
Other costs relating to own shares	–	25
Depositary fee	123	141
Total	258	351

Notes to the profit and loss account (continued)

Costs (continued)

16. Ongoing charges

	Robeco Sustainable Global Stars Equities Fund		Robeco Sustainable Global Stars Equities Fund - EUR G	
	2019 %	2018 %	2019 %	2018 %
Management fee	1.00	1.00	0.50	0.50
Service fee	0.12	0.12	0.12	0.11
Other costs	0.01	0.02	0.01	0.02
Proportion of income on securities lending payable	0.00	0.00	0.00	0.00
Total	1.13	1.14	0.63	0.63

The percentage of ongoing charges is based on the average net assets per share class. The average assets are calculated on a daily basis. The ongoing charges include all costs charged to the share classes in the reporting period, excluding the costs of transactions in financial instruments and interest charges. The ongoing charges do not include any payment of entry or exit costs charged by distributors.

The proportion of securities-lending income payable as defined in the Information on the Risks of lending Financial Instruments on page 26 is included separately in the ongoing charges.

17. Maximum costs

For some cost items, the fund's prospectus specifies a maximum percentage of average net assets. The table below compares these maximum percentages with the costs actually charged.

	2019 EUR' 000	2019 % of net assets	Maximum as specified in the prospectus ¹
Management fee for Robeco Sustainable Global Stars Equities Fund	12,384	1.00	1.00
Service fee for Robeco Sustainable Global Stars Equities Fund	1,440	0.12	0.12
Management fee for Robeco Sustainable Global Stars Equities Fund – EUR G	7,203	0.50	0.50
Service fee for Robeco Sustainable Global Stars Equities Fund – EUR G	1,643	0.12	0.12
Custody fee and bank cost	115	0.00	0.02
Costs for fund agent	20	0.00	0.02
Depositary fee	123	0.01	0.01

¹The prospectus also specifies a maximum percentage of the total cost. This amounts to 1.47% for the Robeco Sustainable Global Stars Equities Fund share class and 0.97% for the Robeco Sustainable Global Stars Equities Fund - EUR G share class.

18. Turnover rate

The turnover rate for the reporting period was 69% (for the previous reporting period it was 63%). This rate shows the rate at which the fund's portfolio is turned over and is a measure of the incurred transaction costs resulting from the portfolio policy pursued and the ensuing investment transactions. The turnover rate is determined by expressing the amount of the turnover as a percentage of the average fund assets. The average fund assets are calculated on a daily basis. The amount of the turnover is determined by the sum of the purchases and sales of investments less the sum of issuance and repurchase of own shares. The sum of issues and repurchases of own participating units is determined as the balance of all issues and repurchases in the fund.

19. Transactions with affiliated parties

Part of the transaction volume over the reporting period relates to transactions with affiliated parties. The table below shows the various types of transactions where this was the case.

	Counterparty	2019 %	2018 %
Securities-lending transactions	RIAM	–	25.73

Notes to the profit and loss account (continued)

Costs (continued)

19. Transactions with affiliated parties (continued)

During the reporting period the fund paid RIAM the following amounts in management fee and service fees:

	Counterparty	2019 EUR' 000	2018 EUR' 000
Management fee	RIAM	19,587	19,185
Service fee	RIAM	3,083	3,000

20. Fiscal status

The fund has the status of a fiscal investment institution. A detailed description of its fiscal status is included in the general information of the management report on page 5.

21. Proposed profit appropriation

For the financial year 2019, dividend distribution will take place on the basis of the fiscal result in order to fulfill the fiscal distribution obligation. Based on the number of shares outstanding on 31 December 2019 it has been proposed to determine the dividend per share for the financial year 2019 at:

- EUR 1.00 per share (previous year: EUR 1.00) for the Robeco Sustainable Global Stars Equities Fund share class.
- EUR 1.00 per share (previous year: EUR 1.00) for the Robeco Sustainable Global Stars Equities Fund - EUR G share class.

If necessitated by legislation and regulations or changes in the number of shares outstanding, an amended dividend proposal will be submitted to the General Meeting of Shareholders. If this proposal is accepted, the dividend will be payable according to the schedule in the table below.

Shareholders will be offered the opportunity to reinvest the dividend (less dividend tax) in Robeco Sustainable Global Stars Equities Fund - EUR G and Robeco Sustainable Global Stars Equities Fund shares. Costs charged by distributors to their customers for this will be borne by the shareholder. In some countries and with some distributors, reinvestment will not be possible for technical reasons.

Agenda	Dividend dates (Transfer Agent)	Dividend dates (Euronext)	Explanation
Record date	Tuesday, May 26, 2020	Friday, May 29, 2020	Participating units issued up to Dealing Day 26 May 2020 are entitled for the dividend distribution. Euronext will use the settlement positions as of 29 May 2020.
Ex-dividend date	Wednesday, May 27, 2020	Thursday, May 28, 2020	The NAV per share will be quoted ex-dividend as of the Dealing Day 27 May 2020. The NAV per share of the Dealing Day 27 May 2020 will be published on 28 May 2020. Euronext will stamp this NAV with date 28 May 2020.
Application for reinvestment	Thursday, June 11, 2020	Thursday, June 11, 2020	Deadline for reinvestment application.
Reinvestment date	Monday, June 15, 2020	Tuesday, June 16, 2020	The Dealing Day of reinvestment will be 15 June 2020. Execution at Euronext will take place on 16 June 2020.
Payment date cash and shares	Thursday, June 18, 2020	Thursday, June 18, 2020	

22. Register of Companies

The fund has its registered office in Rotterdam and is listed in the Trade Register of the Chamber of Commerce in Rotterdam, under number 24041906.

23. Subsequent events

Market Impact Covid-19

Robeco Institutional Asset Management B.V. considers the COVID-19 (Corona) Pandemic as a significant event after closing the Annual Reports 2019 of the Investment Funds under management. The impact of the pandemic on people, companies and the economy at large cannot be assessed in full depth at this stage. However, the impact may have a downward effect on the performance. Measures to mitigate the immediate operational risks are in place. Additional measures are dependent on our own assessments and the response of the authorities.

Notes to the profit and loss account (continued)

Costs (continued)

23. Subsequent events (continued)

Our operational measures for business continuity

In response to the Covid-19 outbreak, Robeco is constantly monitoring the latest developments and has taken all measures necessary to manage the situation and to ensure business continuity. Our operational measures and capabilities are such that Robeco remains fully functional in managing client portfolios and serving clients. Our systems and platforms are designed to enable our staff, most of whom are working from home, to operate as normal. Our approach is one of vigilance and flexibility, allowing us to implement new or revised measures smoothly and as necessary to ensure the health and safety of our staff while maintaining business continuity.

Currency table

Exchange rates

	31/12/2019	31/12/2018
	EUR = 1	EUR = 1
AUD	1.5968	1.6250
CAD	1.4556	1.5591
CHF	1.0870	1.1256
DKK	7.4725	7.4674
GBP	0.8473	0.9015
HKD	8.7463	8.9534
JPY	121.9877	126.2597
KRW	1,298.1151	1,275.8615
NOK	9.8637	9.9867
SEK	10.5078	10.2713
SGD	1.5094	1.5619
TWD	33.6492	35.1462
USD	1.1225	1.1434

Schedule of Investments

As at 31 December 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Equities				
<i>Denmark</i>				
Vestas Wind Systems A/S	DKK	771,385	69,494	2.47
			<u>69,494</u>	<u>2.47</u>
<i>Finland</i>				
Neste OYJ	EUR	3,363,978	104,351	3.71
UPM-Kymmene OYJ	EUR	1,000,980	30,940	1.10
			<u>135,291</u>	<u>4.81</u>
<i>France</i>				
Vivendi SA	EUR	4,416,984	114,046	4.06
			<u>114,046</u>	<u>4.06</u>
<i>Germany</i>				
Deutsche Boerse AG	EUR	633,368	88,766	3.16
			<u>88,766</u>	<u>3.16</u>
<i>Hong Kong</i>				
AIA Group Ltd.	HKD	8,773,600	82,055	2.92
			<u>82,055</u>	<u>2.92</u>
<i>Ireland</i>				
Accenture plc 'A'	USD	312,032	58,534	2.08
Allegion plc	USD	472,354	52,407	1.86
Linde plc	USD	323,295	61,318	2.18
			<u>172,259</u>	<u>6.12</u>
<i>Netherlands</i>				
Heineken NV	EUR	352,243	33,435	1.19
			<u>33,435</u>	<u>1.19</u>
<i>Sweden</i>				
Lundin Petroleum AB	SEK	1,004,432	30,426	1.08
			<u>30,426</u>	<u>1.08</u>
<i>Switzerland</i>				
Nestle SA	CHF	594,318	57,290	2.04
Roche Holding AG	CHF	451,267	130,360	4.64
			<u>187,650</u>	<u>6.68</u>
<i>Taiwan</i>				
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	2,790,000	27,444	0.97
			<u>27,444</u>	<u>0.97</u>
<i>United Kingdom</i>				
ASOS plc	GBP	697,103	27,750	0.99
Reckitt Benckiser Group plc	GBP	1,120,370	81,040	2.88
Royal Dutch Shell plc 'A'	EUR	2,825,377	73,926	2.63
			<u>182,716</u>	<u>6.50</u>

Schedule of Investments (continued)

As at 31 December 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Equities (continued)				
<i>United States of America</i>				
AbbVie, Inc.	USD	1,750,508	138,076	4.91
Adobe, Inc.	USD	220,718	64,851	2.31
Alphabet, Inc. 'A'	USD	114,801	136,983	4.87
Amazon.com, Inc.	USD	51,990	85,585	3.04
Anthem, Inc.	USD	214,904	57,824	2.06
Apple, Inc.	USD	183,300	47,952	1.70
Applied Materials, Inc.	USD	1,059,239	57,600	2.05
Booking Holdings, Inc.	USD	32,058	58,653	2.09
Broadcom, Inc.	USD	195,408	55,014	1.96
Charter Communications, Inc. 'A'	USD	401,272	173,407	6.17
Cisco Systems, Inc.	USD	1,926,895	82,329	2.93
Electronic Arts, Inc.	USD	617,721	59,164	2.10
Eli Lilly & Co.	USD	778,949	91,205	3.24
LendingTree, Inc.	USD	49,866	13,480	0.48
Mastercard, Inc. 'A'	USD	104,337	27,754	0.99
Microsoft Corp.	USD	1,205,620	169,377	6.02
Parker-Hannifin Corp.	USD	540,163	99,044	3.52
State Street Corp.	USD	1,350,405	95,160	3.38
Union Pacific Corp.	USD	161,186	25,961	0.92
Visa, Inc. 'A'	USD	599,221	100,306	3.57
Zebra Technologies Corp. 'A'	USD	141,279	32,150	1.14
			<u>1,671,875</u>	<u>59.45</u>
Total Equities			<u>2,795,457</u>	<u>99.41</u>
Total Transferable securities and money market instruments admitted to an official exchange listing			<u>2,795,457</u>	<u>99.41</u>
Total Investments			<u>2,795,457</u>	<u>99.41</u>
Cash			<u>9,829</u>	<u>0.35</u>
Other Assets/(Liabilities)			<u>6,698</u>	<u>0.24</u>
Total Net Assets			<u>2,811,984</u>	<u>100.00</u>

Schedule of Investments (continued)

As at 31 December 2019

Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR' 000	% of Net Assets
AUD	104,466,310	EUR	64,145,886	13/01/2020	HSBC	1,250	0.05
CAD	126,174,431	EUR	85,815,240	13/01/2020	HSBC	818	0.03
EUR	47,827,355	DKK	357,348,193	13/01/2020	Barclays	3	-
EUR	48,639,096	HKD	422,871,658	13/01/2020	Citigroup	328	0.01
EUR	94,929,166	USD	105,823,909	13/01/2020	Barclays	714	0.02
EUR	15,200,000	USD	16,971,809	13/01/2020	HSBC	90	-
NOK	63,600,000	EUR	6,244,194	13/01/2020	HSBC	200	0.01
SGD	23,204,974	EUR	15,359,220	13/01/2020	RABOBANK	6	-
Total Unrealised Gain on Forward Currency Exchange Contracts - Assets						3,409	0.12
EUR	87,244,396	CHF	95,244,036	13/01/2020	Citigroup	(384)	(0.02)
EUR	8,852,605	SEK	93,201,352	13/01/2020	Barclays	(16)	-
GBP	37,100,269	EUR	43,855,151	13/01/2020	HSBC	(85)	-
JPY	27,507,898,810	EUR	228,325,107	14/01/2020	Citigroup	(2,840)	(0.10)
USD	11,340,000	EUR	10,165,325	13/01/2020	Barclays	(69)	-
USD	9,940,000	EUR	8,898,502	13/01/2020	Citigroup	(49)	-
Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(3,443)	(0.12)
Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(34)	-

Rotterdam, 30 April 2020

The Manager
Robeco Institutional Asset Management B.V.

Polymakers RIAM:
Gilbert O.J.M. Van Hassel
Karin van Baardwijk
Peter J.J. Ferket
Mark C.W. den Hollander
Martin O. Nijkamp
Hans-Christoph von Reiche
Victor Verberk
Lia Belilos-Wessels

Other information

Provisions regarding appropriation of the result

According to article 20 of the fund's Articles of Association, the profit, after payment of dividend on the priority shares and less allocations to the reserves deemed desirable by the management board shall be at the disposal of the General Meeting of Shareholders.

Directors' interests

The total personal interests in the investments of the fund held by the policymakers of the management (also the manager) of the fund on 1 January 2019 and 31 December 2019 are shown in the table below.

As at 1 January 2019	Description	Quantity
ING Groep NV	Shares	230,888
Royal Dutch Shell plc	Shares	9,749

As at 31 December 2019	Description	Quantity
Royal Dutch Shell plc	Shares	9,749



Independent auditor's report

To: the General Meeting of Shareholders of Robeco Sustainable Global Stars Equities Fund N.V. and the Board of Directors of Robeco Institutional Asset Management B.V.

Report on the audit of the annual financial statements 2019 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Robeco Sustainable Global Stars Equities Fund N.V. as at 31 December 2019, and of its result and cash flows for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the 2019 financial statements of Robeco Sustainable Global Stars Equities Fund N.V. (hereafter: "the fund"), based in Rotterdam.

The financial statements consist of:

- 1 the balance sheet at 31 December 2019;
- 2 the profit and loss account for 2019;
- 3 the cash flow statement for 2019; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Robeco Sustainable Global Stars Equities Fund N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).



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

Audit approach

Summary

Materiality

- Materiality of EUR 28 million
- 1% of equity

Scope of the audit

- Outsourcing of business processes to service providers

Key audit matters

- Existence and valuation of investments
- Accuracy of the investment income

Opinion

Unqualified

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 28 million (2018: EUR 24 million). Materiality is determined based on the equity of the fund (2019: 1%; 2018: 1%). We consider the equity to be the most appropriate benchmark, since the equity of an investment entity represents the value that an investor could receive on the sale of his share in the investment entity. Changes in the value of the investments are an important part of the total operating income and therefore the result of an investment entity. Due to the dependency on the value changes both the total operating income and the profit before tax are inherently volatile and therefore less suitable as benchmark for determining materiality. The materiality is determined on the basis of the characteristics of the fund, including the investment category.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We have agreed with those charged with governance (the Board of Directors of Robeco Institutional Asset Management B.V., also the manager) that misstatements in excess of EUR 1.4 million which are identified during our audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative reasons.



Scope of the audit

Outsourcing of business processes to service providers

Robeco Sustainable Global Stars Equities Fund N.V. has no employees and its portfolio management, risk management and financial and investment administration are therefore performed by the manager of the fund, Robeco Institutional Asset Management B.V. (hereafter: 'RIAM'). We are responsible for obtaining sufficient and appropriate audit evidence regarding the services provided by RIAM and therefore we have gained insight into the nature and significance of these services. Based on this assessment we identify the risks of material misstatement and design audit procedures to address these risks.

As part of our audit procedures we rely on the procedures performed by the external auditor of RIAM on the administrative organisation and internal controls relevant for Robeco Sustainable Global Stars Equities Fund N.V., and the reports specifically prepared for this (so-called ISAE 3402 type II reports). Our audit procedures consisted of determining the minimum expected internal controls at RIAM, and evaluating these internal controls which are included in the ISAE 3402 type II report, the procedures performed in order to test the existence and operating effectiveness of those internal controls and the outcome of these procedures. We also performed this work on relevant administrative processes and internal controls that RIAM itself outsourced to service providers, to the extent that a certified ISAE 3402 type II report was available for this. If no certified reporting was available, we have performed additional substantive procedures.

Based on the above procedures performed over these outsourced processes and additional work performed by us, we have determined that the for Robeco Sustainable Global Stars Equities Fund N.V. relevant internal controls within the processes of RIAM (including those internal controls that have been outsourced to service providers) are sufficient to be relied on during our audit procedures relating to the financial statements of Robeco Sustainable Global Stars Equities Fund N.V.

Audit scope in relation to fraud

In accordance with the Dutch standards on auditing we are responsible for obtaining a high (but not absolute) level of assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.

As part of our risk assessment process we have evaluated events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud ('fraud risk factors') to determine whether fraud risks are relevant to our audit.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit.

In accordance with the auditing standard '240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements' we evaluated the presumed fraud risks that are relevant to our audit:

- revenue recognition; and
- management override of controls.



The presumed risk for revenue recognition is not present since the fund invests in listed securities on regulated markets and has involvement of third parties like custodian and depositary in the dividend and/or income transactions. We therefore consider the risk of material misstatement as low in relation to revenue recognition due to fraud.

Our audit procedures included an evaluation of the design and implementation of internal controls relevant to mitigate these risks, substantive audit procedures and evaluation of management bias. In determining the audit procedures we will make use of the fund's evaluation in relation to fraud risk management (prevention, detections and response), including the set-up of ethical standards to create a culture of honesty.

As part of our evaluation of any instances of fraud, we inspected the incident register and whistle blowing reports and follow up by management.

We communicated our risk assessment and audit response to the Board of Directors. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our procedures to address fraud risks did not result in the identification of a key audit matter.

We do note that our audit is based on the procedures described in line with applicable auditing standards and are not primarily designed to detect fraud.

Audit scope in relation to non-compliance with laws and regulations

We have evaluated facts and circumstances in order to assess laws and regulation relevant to the fund.

We identified laws and regulations that could reasonably be expected to have a material effect on the financial statements based on our general understanding and sector experience, through discussion with relevant management and evaluating the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably:

- Firstly, the fund is subject to laws and regulations that directly affect the financial statements including taxation and financial reporting (including related fund legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- Secondly, the fund is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation.

We identified the following areas as those most likely to have such an indirect effect:

- The requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht).



- The anti-money laundering laws and regulations (Wet ter voorkoming van witwassen en financieren van terrorisme, Wwft).

Auditing standards limit the required audit procedures to identify non-compliance with laws and regulations that have an indirect effect to inquiring of relevant management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not identify any additional actual or suspected non-compliance other than those previously identified by the fund in each of the above areas. We considered the effect of actual or suspected non-compliance as part of our procedures on the related financial statement items.

Our procedures to address compliance with laws and regulations did not result in the identification of a key audit matter.

Besides the procedures based on auditing standards, we performed additional procedures concerning an assurance engagement to assess compliance with the investments restrictions of the UCITS directive as included in articles 130 up to and including 143 of the Besluit Gedragstoezicht financiële ondernemingen Wft ('BGfo').

We do note that our audit is not primarily designed to detect non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to those charged with governance. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and valuation of investments

Description

The fund's investments amount to more than 99% of the total assets. The investments are valued at fair value based on market information. The valuation of the investments has a significant impact on the financial results. The determination of the fair value for each investment category is disclosed on pages 20. We assess the risk of a material misstatement in the valuation of the investments as low due to the fact that the portfolio



consists of liquid, listed investments which are traded on an active market. Due to the amount of the investments in relation to the financial statements as a whole we identify the existence and valuation of investments as a key audit matter.

Our approach

Our audit procedures consisted of the following:

- determining the existence of the investments by directly received confirmations from the custodian and other relevant counterparties as per balance sheet date.
- determining that the used value is based on the method which is defined for the relevant investment category, as stated on page 20. We performed this procedure by comparing the used valuations of the investments with our independent valuation which is based on observable market prices. In performing these procedures we have used our valuation specialists.

Furthermore we evaluated the sufficiency of the disclosure in the financial statements as included under 'Investments'.

Our observation

Based on our procedures we conclude that the investments exist and that the valuation of the investments resulted in an acceptable valuation of the investments in the financial statements. The disclosure of the composition of and movements in investments is sufficient.

Accuracy of the investment income

Description

The total operating income mainly consists of the changes in the value of investments and investment income. The investment income consists of dividends received and for a smaller amount interest expense and net revenues from securities lending. The total operating income is to a large extent decisive for the performance of the fund and has therefore a significant effect on the overall picture presented by the financial statements. In the audit 2019, the changes in the value of investments – as part of the total operating income – were identified and assessed as financial statement accounts that do not contain a risk of material misstatement, given the nature of the underlying transactions and the correlation with the valuation of investments already included in the previous key audit matter. The investment income is based on the accounting policies as described in the notes on the financial statements on page 20. For that reason we consider the accuracy of the investment income as a key audit matter.

Our approach

Our audit procedures consisted of the following:

- we have assessed the design, implementation and operating effectiveness of the relevant internal controls at the manager of the fund, as stated under 'Scope of the audit - Outsourcing of business processes to service providers'.
- we have assessed the accuracy of investment income by applying data analysis techniques where, based on the composition of the investments in combination with information on the return on investments that can be observed in the market, an expected outcome has been determined which subsequently has been compared with



the investment income as accounted for. We have involved our specialists in this procedure.

Furthermore we evaluated the sufficiency of the disclosure in the financial statements as included under 'Investment income'.

Our observation

Based on our procedures performed we conclude that the investment income has been recognized accurately and that the disclosure of the investment income is sufficient.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the below procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager of the fund is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting on 24 April 2014 as auditor of the fund as of the audit for the year 2014 and have operated as statutory auditor since then.

No prohibited non-audit services

We have not provided any prohibited non-audit services as defined in Article 5 (1) of the European regulation on specific requirements for statutory audits of financial statements of Public Interest Entities.

Description of the responsibilities for the financial statements

Responsibilities of the manager of the fund for the financial statements



The manager of the fund is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager of the fund is responsible for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or errors.

As part of the preparation of the financial statements, the manager of the fund is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the manager of the fund should prepare the financial statements using the going concern basis of accounting unless the manager of the fund either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so. The manager of the fund should disclose events and circumstances that may cast significant doubt on the fund's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during the audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Further details of our responsibilities with respect to the audit of the financial statements is included in the appendix to this audit report. This appendix forms part of our audit report.

Utrecht, 30 April 2020

KPMG Accountants N.V.

G.J. Hoeve RA

Appendix: Description of our responsibilities for the audit of the financial statements



Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a fund to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect we also submit an additional report to the Board of Directors of Robeco Institutional Asset Management B.V. (also responsible for the tasks generally performed by the audit committee) in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.