

**ROBECO**  
The Investment Engineers

18

**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 2018**

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# Robeco 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](http://www.robeco.com)

## Management board (and manager)

Robeco Institutional Asset Management B.V. ('RIAM')  
Policymakers RIAM:  
Gilbert O.J.M. Van Hassel  
Maureen C.J. Bal (until 1 April 2018)  
Karin van Baardwijk  
Monique D. Donga  
Peter J.J. Ferket  
Martin O. Nijkamp  
Hans-Christoph von Reiche  
Roland Toppen (until 5 September 2018)  
Victor Verberk

## Supervisory directors:

Jeroen J.M. Kremers  
Gihan Ismail (until 1 July 2018)  
Masaaki Kawano (until 1 May 2018)  
Jan J. Nooitgedagt (until 1 April 2018)  
Sonja Barendregt-Roojers (since 1 April 2018)  
Yoshiko Fujii (since 1 May 2018)  
Radboud R.L. Vlaar (since 18 September 2018)

## Custodian

J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch (since 9 July 2018)  
Strawinskylaan 1135,  
NL-1077 XX Amsterdam

Citibank Europe plc (until 9 July 2018)  
Schiphol Boulevard 257,  
NL-1118 BH Schiphol

## Fund managers

Jan Keuppens  
Michiel Plakman

## Paying agent

ABN AMRO Bank N.V. (until 1 September 2018)  
Gustav Mahlerlaan 10, NL-1082 PP Amsterdam  
ING Bank N.V. (since 1 September 2018)  
Bijlmerplein 888, NL-1102 MG Amsterdam

## Fund 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 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 (until 9 July 2018 by Citibank Europe plc). J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch (until 9 July 2018 Citibank Europe plc) 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 (until 9 July 2018 Citibank Europe plc) 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.

### 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 fund 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, liquidity management policy and the tax position were discussed. The quarterly reports from internal audit, compliance, legal affairs and risk management were also discussed. A great deal of attention was also paid to fund governance and compliance with the principles that Robeco 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, thematic compliance reports on principles for fund governance with regard to best execution, fair allocation and broker services, and the annual reports and semi-annual reports of the funds. The Supervisory Board has determined that Robeco's principles for fund governance are applied.

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

On 24 January 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 company's strategic plan for the 2017-2021 period, which envisages further international growth in both investment and client servicing activities. The aim is that J.P. Morgan will be Robeco's service provider for fund accounting, operations, custody, depository, transfer agency and securities lending. J.P. Morgan, with its global network, will provide operations activities in multiple locations and time zones.

The outsourcing of operations activities will not lead to changes in investment policies and teams. Client portfolios will continue to be managed according to their investment policies by the responsible portfolio managers and portfolio management teams. All portfolio managers will continue to focus fully on delivering investment performance for Robeco's clients.

The first phase of the outsourcing to J.P. Morgan was completed on 9 July 2018. On this date, Citibank Europe plc was replaced by J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch as the custodian for the Robeco funds established in the Netherlands. In addition, J.P. Morgan has taken over the securities lending operations for the Robeco investment funds established in the Netherlands from RIAM with effect from 9 July 2018.

In the second phase J.P. Morgan Bank Luxembourg S.A. replaced Robeco as administration agent, for the funds based in the Netherlands with effect from 3 December 2018.

# 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 Global Stars Equities Fund

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

The management fee for the Robeco Global Stars Equities Fund - EUR G share class (without distribution fee) is lower than for the Robeco 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 13, 15 and 18 to the financial statements.

### 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 Global Stars Equities Fund share class is listed on Euronext Amsterdam<sup>1</sup>, 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 Global Stars Equities Fund - EUR G share class is listed on Euronext Amsterdam<sup>1</sup>, Euronext Fund Service segment.

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

### Key investor information and prospectus

A prospectus and a key investor information document with information on the product and its associated costs and risks are available for Robeco Global Stars Equities Fund N.V. Both documents are available free of charge at the fund's offices and at [www.robeco.com](http://www.robeco.com).

### Information for investors in the respective countries

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

#### Representative and paying agent in Switzerland

As per 1 December 2018, ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zürich, is appointed as the fund's representative in Switzerland (until 1 December 2018 this was Robeco Switzerland AG). 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](http://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.

# Report by the manager (continued)

## General information (continued)

### Translations

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.

### Key figures per share class

#### Overview 2014 – 2018

<b>Robeco Global Stars Equities Fund</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>Average</b>
<b>Performance in % based on:</b>						
- Market price <sup>1,2</sup>	-4.4	12.1	6.7	8.0	18.5	7.9
- Net asset value <sup>1,2</sup>	-3.5	12.0	6.3	7.8	17.6	8.0
MSCI World Index <sup>3,6</sup>	-4.1	7.5	10.7	10.4	20.1	8.7
Dividend in euros <sup>4</sup>	1.00	1.00 <sup>6</sup>	1.00	1.20 <sup>7</sup>	0.80	
Total net assets <sup>5</sup>	1.1	1.3	1.4	1.6	2.3	

<b>Robeco Global Stars Equities Fund - EUR G</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>Average</b>
<b>Performance in % based on:</b>						
- Market price <sup>1,2</sup>	-3.9	12.7	7.2	8.5	19.1	8.4
- Net asset value <sup>1,2</sup>	-3.0	12.5	6.8	8.3	18.2	8.5
MSCI World Index <sup>3,6</sup>	-4.1	7.5	10.7	10.4	20.1	8.7
Dividend in euros <sup>4,6</sup>	1.00	1.00	1.00	1.00	0.80	
Total net assets <sup>5</sup>	1.3	1.4	1.4	1.4	1.4	

<sup>1</sup> Possible differences between the performance based on market price and on net asset value are caused by the fact that the last market price of the reporting period and the net asset value were until 1 December 2018 determined at different times. The last market price at the start of the reporting period was the price on the last market day of the previous reporting period and used the price data at 06:00. The net asset value was based on the valuation figures from the close of trading on that same day. As of 1 December 2018, the market value is the net asset value corrected for the surcharge or discount as described under Liquidity of ordinary shares. Last valuation date for both net asset value and market price is 28 December 2018, whereas the last valuation date for the benchmark is 31 December 2018.

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

<sup>3</sup> Currencies have been converted at rates supplied by World Market Reuters.

<sup>4</sup> The dividend per share relates to the reporting year mentioned and is distributed in the following year. The figure for 2018 is a proposal. Further information on the proposed dividend can be found in the section Proposed profit appropriation on page 35.

<sup>5</sup> EUR x billion.

<sup>6</sup> In order to meet the tax distribution obligation, a revised dividend proposal for the Robeco Global Stars Equities Fund and Robeco Global Stars Equities Fund - EUR G asset class was submitted to the General Meeting of Shareholders (GMS): EUR 1.00 per share instead of EUR 0.80 per share. This proposal was approved by the GMS.

<sup>7</sup> In order to meet the tax distribution obligation, a revised dividend proposal for the Robeco Global Stars Equities Fund asset class was submitted to the General Meeting of Shareholders (GMS): EUR 1.20 per share instead of EUR 1.00 per share. This proposal was approved by the GMS.

# Report by the manager (continued)

## General introduction

### Review of 2018

The year 2018 has proven to be an inflection point for global financial markets and the global economy, as the expansion phase of the business cycle, which started in 2009, reached its peak in late 2018. Whereas 2017 saw exceptionally strong and synchronized growth, the expansion of global economic activity in 2018 became less balanced and shifted from acceleration to deceleration mode. This is typical of a late cycle economic environment. Nevertheless, global activity remained firmly in the expansion phase, with global growth forecast reaching 3.7% in 2018 (IMF estimate).

The year under review got off to a promising start with investment spending making a solid contribution to global growth. Industrial capacity constraints became more noticeable, with actual growth levels remaining above trend in advanced economies. With output gaps gradually closing and unused economic capacity dwindling, especially in the US labor market, inflationary pressures picked up. In the US, pro-cyclical fiscal stimulus in the form of corporate tax cuts boosted private sector activity and business confidence further and the US economy was firing on all cylinders with Q2 2018 US GDP growth reaching an annualized pace of an impressive 4.2%, significantly above its long-term 2% growth path. Strong US growth (3.0% overall in 2018) and inflation close to the 2% target, allowed the Federal Reserve ('the Fed') to remain on 'autopilot' for the entire year. The Fed raised policy rates every quarter by 25 basis points towards a level that it considers neutral for the US economy. Consequently, US yields remained attractive versus the rest of world with the dollar well bid. The resulting decline in dollar liquidity put severe market pressure on emerging countries in spring 2018, especially those in need of dollars to finance current account deficits.

A major theme that hampered global economic growth in the second half of 2018 was the impact of trade disputes, notably between the US and China. Since January, the US has levied tariffs on a number of Chinese export products as it has accused China of unfair practices, which in the course of 2018 led to the imposition of tariffs on more than EUR 300 billion of bilateral trade. The US administration managed to revise the existing NAFTA trade agreement with trade partners Canada and Mexico and agreed an armistice on trade with the EU. However, the divide between China and the US, both vying for global supremacy, runs deeper than trade alone. Therefore, a swift and all-encompassing resolution for the trade dispute remained out of sight as 2018 progressed. As a consequence, fear of an escalating trade war started to impact overall business confidence and the contribution to global activity from global trade and investments declined.

Increased political/geopolitical risk has been a running theme throughout 2018. In the UK, the twists and turns in the debate around Brexit have been relentless. At the time of writing uncertainty remains high. The chances of a no-deal, 'hard' Brexit, have diminished markedly though, now that the European Court of Justice has ruled that the UK government has the right to unilaterally withdraw its invocation of Article 50. In that case, the UK would remain a member of the EU based on the current conditions, though this option is probably a last resort. It's more likely that the UK will enter a transitional period after leaving the EU in March or somewhat later, as a short delay for legislative reasons has become more likely. Eventually, this would come down to a Brexit in name only. At the time of writing, the path to this solution was still unclear. In Italy, a new populist government challenged the EU budget rules safeguarding debt sustainability, threatening to exceed the budget deficit norm to deliver on promises made to its electorate. In France, a populist backlash against the Macron-led government emerged with the protest of the 'gilets jaunes' on the streets of Paris.

Consumption seemed to be the most stable factor contributing to global growth in 2018, despite the drag from rising oil prices in the first half of the year. In the US, consumer confidence rose to its highest level in 18 years as wage growth accelerated to a level of 3.2% towards the end of year. Secular forces still weigh on the contribution of labor income to the economy, such as underemployment, the rise in part-time work, automation and the emergence of the 'gig' economy. However, from a cyclical point of view, the global economy has reached a mature phase where a further decline in unemployment progressively leads to higher wage growth. In China and other emerging markets, consumer spending was lackluster and the Chinese economy weakened in 2018. In terms of economic growth, emerging markets failed to catch up to advanced economies to any noticeable degree.

From a monetary policy point of view, 2018 has also been a transitional year in which monetary policy changed more decisively from unequivocally accommodative to more neutral. Three factors have contributed to tightening financial conditions. First, the Fed remained on autopilot with regard to setting conventional policy rates. Second, the Fed balance sheet is being unwound by USD 50 billion per month. Third, dollar appreciation had a tightening effect in the course of 2018. In addition, the ECB ended its monthly net bond purchases (which started back in early 2015) at the end of 2018, citing balanced risks to economic growth in the Eurozone while expressing confidence that the inflation target of "below, but close to 2%" is achievable in the medium term. As a result of tightening financial conditions, short-term yields caught up with longer-dated yields and (portions of) US yield curves even inverted in the last quarter of 2018. This yield curve inversion (the situation in which shorter-term Treasuries, have higher yields than longer-dated Treasuries) has proven to be a reliable recession indicator since the end of WWII, albeit with long and variable lags (with the time from a medium lag until recession being 17 months).

# Report by the manager (continued)

## General introduction (continued)

### The outlook for equities

In a macro-economic environment of decelerating global activity and central banks reducing excess liquidity, equity markets experienced a turbulent year, especially in the last quarter of 2018 as the inverted yield curves pointed to a heightened recession risk. The MSCI World Total Return Index experienced a loss of 4.1% in euro terms, the first annual calendar year loss since 2011. The MSCI Emerging Markets Total Return Index lagged with a return of -10.3% in euro terms. Peak to trough moves of major indices show that the equity bull market that started in March 2009 has morphed into a bear market. Rather than a sell-off of a technical nature, we are faced with a more fundamental shift in expectations and risk perception as a result of coinciding inflection points, both in the business cycle and in monetary policy. Given the currently stretched level of risk premiums in the equity market, the recession risk for 2019 seems overpriced. We maintain that the US is unlikely to drift downwards into a recession in 2019, as it usually still takes more than a year to cascade from peak growth to a standstill in economic activity. Valuations suggest there is limited upside for equity markets in 2019. The upside for equities in 2019 seems to be capped however, as we have arrived in a late phase of the global expansion and a recession occurring sometime after 2019 seems inevitable. In this limited window of opportunity for equity investors, the Fed will likely move from a neutral stance towards net restrictive monetary policy, a transition that has often coincided with the peak in the global earnings cycle.

## 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 Index.

### Implementation of the investment policy

#### Energy

During the year we slightly reduced our weight in the sector by taking profits on Lundin Petroleum. However, the excess performance from the sector disappeared as the oil price dropped nearly 40% from its October highs due to the supply glut partly created by slower economic growth.

#### Materials

We sold Sealed Air and bought Linde and UPM. The former as the improvement in return on invested capital has been disappointing. We like the business of Linde with single digit revenue growth and strong free cash flow generation. The merger with its US peer will further enhance this and acted as a positive catalyst for the stock price. UPM with an excellent ESG profile was taken into the portfolio towards the end of the year at a very attractive valuation.

#### Industrials

After nearly a decade in the portfolio we decided to sell Ryanair due to escalating social struggles with its employees which will have a negative effect on both the growth and the margins. We bought Parker Hannifin and Vestas, both scoring well on valuation and ESG.

#### Technology

We were quite active in the technology sector. We bought three fallen darlings, Red Hat, Broadcom and Nvidia. Red Hat subsequently got bid for by IBM, and Broadcom is in the process of regaining its status as a very strong free cash flow generator. We also added Adobe and Cisco to the portfolio. We sold Texas Instruments and Samsung Electronics. Texas as it reached its fair value and Samsung as all business units continue to worsen. Especially their memory business which was the key driver in the previous year. We sold Facebook early in the year as our engagement with the company regarding data privacy revealed large challenges in handling these issues correctly without large financial implications.

#### Communication Services

We consolidated the position in Comcast into our position in Charter Communications. Their business will continue to accelerate in 2019 as the benefits of the Time Warner Cable deal will become visible. We finally sold both KPN and KDDI as we found better opportunities elsewhere.

#### Financials

We sold Allied Irish, reduced Citigroup and bought CME and Deutsche Boerse. In the longer term we want to reduce the exposure to balance sheet financials which remain highly levered and cyclical. The exchanges such as CME and Deutsche Boerse offer better secular growth and higher returns.

The ESG profile of the fund further strengthened and the environmental footprint is substantially better than the index.

# Report by the manager (continued)

## Investment policy (continued)

### Currency policy

The currency policy is based on the weights of the index, with only minor deviations from it. For further quantitative information on currency risk we refer to the information on currency risk provided on page 22.

### Policy on derivatives

In compiling the portfolio for Robeco 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 31/12/2018	Price in EUR x 1 31/12/2017	Dividend paid in April 2018 <sup>1</sup>	Investment result in reporting periods in % <sup>2</sup>
<i>Robeco Global Stars Equities Fund</i>			1.00	
- Market price	35.34	38.00		-4.4
- Net asset value	35.44	37.75		-3.5
<i>Robeco Global Stars Equities Fund - EUR G.</i>			1.00	
- Market price	38.00	40.58		-3.9
- Net asset value	38.11	40.31		-3.0

<sup>1</sup> Ex-dividend date.

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

### Net returns per share <sup>1</sup>

EUR x 1

Robeco Global Stars Equities Fund	2018	2017	2016	2015	2014
Investment income	0.78	0.68	0.83	0.80	0.62
Change in value	-1.57	3.94	1.21	3.07	4.29
Management costs, service fee and other costs	-0.42	-0.41	-0.36	-0.39	-0.33
<b>Net result</b>	<b>-1.21</b>	<b>4.21</b>	<b>1.68</b>	<b>3.48</b>	<b>4.58</b>

Robeco Global Stars Equities Fund - EUR G.	2018	2017	2016	2015	2014
Investment income	0.84	0.72	0.88	0.83	0.65
Change in value	-1.69	4.10	1.54	2.35	4.73
Management costs, service fee and other costs	-0.25	-0.24	-0.21	-0.23	-0.19
<b>Net result</b>	<b>-1.10</b>	<b>4.58</b>	<b>2.21</b>	<b>2.95</b>	<b>5.19</b>

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

The Robeco Global Stars Equities Fund posted strong relative performance during 2018 versus the index.

While the US market had record profits during the year, the economic picture outside the US was more muddled. The slowing global growth resulted in a strong derating of the equity markets. During the second half of the year, the performance gap between the US and the rest of the world narrowed somewhat as the consequences of the trade negotiations started hitting the US economy as well. While Apple became the first trillionaire stock in August followed by Amazon in September, gravity hit the tech sector in the last quarter as well.

The worst performers were financials, especially ING and State Street. Closely followed by Halliburton as the oil drop will hit the earnings growth in 2019.

# Report by the manager (continued)

## Investment result (continued)

Overall, the more cyclical sectors such as Energy, Financials, Industrials and Materials were the worst performing sectors with Healthcare and Utilities closing the year in positive territory.

The biggest relative contributors to the portfolio were the Technology, Consumer Discretionary and Industrial sectors. Financials were the worst performers.

Anthem, a US health insurer, was after a stellar 2017 once again a strong performer in the fund. The company still benefits from strong pricing in combination with normal medical utilization trends on top of the reduced US tax rate from 35% to 21%. The longer term drivers from the improved cross selling to its 100 million plus Blue Cross members and the insourcing of its pharmacy benefits arm are very promising.

Amazon surpassed both revenue and margin expectations during the year. Hence the earnings upgrades acted as a strong driver. Despite the stock giving back some of its gains in the last quarter, the stock is still up.

During the summer a very nice investment opportunity arose for Broadcom. This semiconductor company acquired a software company which shocked the investor base. The company lost 18 billion of its market capitalization which was the value of the deal. We acted contrarian as the stock would trade at a double digit free cash flow yield.

## 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 index. 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 risk. This is the part that diverges from the index. For instance, if Royal Dutch Shell has a weight of 4% in the index and a weight of 1.5% in the Robeco portfolio, the active part for this position is 2.5%. The fund had an active share of 88% at the end of 2018. In comparison: an index-tracking fund, or ETF, that follows the index 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. 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 2018 the fund's portfolio turnover was 40% (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 20 through 27.

## Movements in net assets

During the reporting period the net assets of Robeco Global Stars Equities Fund fell by EUR 309.5 million to EUR 2,377.3 million. This decline can be explained by the following items. On balance, stocks to the amount of EUR 165.2 million were repurchased. The net result decreased these assets by EUR 77.1 million. EUR 67.2 million was distributed in dividend.

# Report by the manager (continued)

## Movements in net assets (continued)

### Survey of movements in net assets

	2018 EUR' 000	2017 EUR' 000
<b>Assets at opening date</b>	<b>2,686,753</b>	<b>2,814,202</b>
Company shares issued	75,351	167,463
Company shares repurchased	(240,535)	(542,034)
<b>Situation on closing date</b>	<b>2,521,569</b>	<b>2,439,631</b>
Investment income	54,287	51,101
Receipts on surcharges and discounts on issuance and repurchase of own shares	283	720
Management fee	(19,185)	(20,561)
Service fee	(3,000)	(3,153)
Other costs	(351)	(352)
	<b>32,034</b>	<b>27,755</b>
Changes in value	(109,163)	292,848
<b>Net result</b>	<b>(77,129)</b>	<b>320,603</b>
Dividend paid	(67,155)	(73,481)
<b>Assets at closing date</b>	<b>2,377,285</b>	<b>2,686,753</b>

## 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 for a responsible remuneration policy under the UCITS Directive, as well as the Dutch Remuneration Policy (Financial Enterprises) Act (Wet beloningsbeleid financiële ondernemingen). The remuneration policy has the following objectives:

- To stimulate employees to act in the best interests of clients and avoid taking undesirable risks.
- 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.
- To attract and retain good staff and to reward talent and performance fairly.

### Responsibility for the remuneration policy

The Supervisory Board 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. The Nomination & Remuneration Committee of the Supervisory Board of RIAM provides advice to the Supervisory Board 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 therefore in line with the market and the employees are not dependent on whether or not they receive a variable remuneration.

### 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 Remuneration Committee. 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.

# Report by the manager (continued)

## Remuneration policy (continued)

### Variable remuneration (continued)

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 lead to the allocation of a lower or even no variable remuneration 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 may have a material impact on the risk profile of the fund. These employees are designated to be 'Identified Staff'. For 2018, in addition to the Management Board, RIAM has designated 94 other 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 hypothetical 'RIAM' shares 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 employees (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) evidence that a fraudulent act has been committed by the employee concerned or v) behavior that results in considerable losses.

### Annual assessment

RIAM's remuneration policy and the application thereof was evaluated in 2018 under the responsibility of the Supervisory Board, advised by the Nomination & Remuneration Committee. As a result of Robeco's strategy 2017-2021, certain (non material) changes have been made to the remuneration policy to support a high performance culture.

### Remuneration in 2018

Of the total amounts granted in remuneration<sup>1</sup> in 2018 to the group's Board, Identified Staff and Other Employees, the following amounts are to be assigned to the fund:

<b>Remuneration in EUR x 1</b>		
<b>Staff category</b>	<b>Fixed pay for 2018</b>	<b>Variable pay for 2018</b>
Board (4 members)	32,365	40,268
Identified Staff (94) (ex Board)	265,837	159,450
Other employees (680 employees)	803,602	243,152

The total of the fixed and variable remuneration charged to the fund is EUR 1,544,674. Imputation occurs according to the following key:

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

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

<sup>1</sup> The remunerations relate to activities performed for one or more Robeco entities.

### Remuneration manager

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

# Report by the manager (continued)

## Sustainability investing

Sustainability investing is one of the main pillars of Robeco's strategy and is firmly anchored in our investment convictions. We are convinced that including ESG<sup>1</sup> 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 2018, we made every effort to further stimulate Sustainability investing at Robeco and beyond.

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

All Robeco's investment activities comply with the United Nations Principles for Responsible Investing (UNPRI). In 2018, Robeco was awarded the highest possible score (A+) for all seven UNPRI modules of Sustainability investing. This was the fifth year in a row that Robeco obtained the highest score for the majority of the modules assessed by UNPRI. Responsibility for implementing Sustainability investing lies with the Head of Investments, who also has a seat on Robeco's Executive Committee.

### Focus on stewardship

Fulfilling our responsibilities in the field of stewardship forms an integral part of Robeco's approach to Sustainability 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

In 2016, Robeco became a signatory in the Netherlands to the Sustainable Development Goals Investing Agenda. In 2017, further progress was made by the SDG<sup>2</sup> workgroup, consisting of members of the different investment teams, the Active Ownership team and RobecoSAM's Sustainability investing Research team. To help our customers contribute to the objectives, we worked on analyzing and developing tools and solutions. This resulted in the launch of the RobecoSAM Global SDG Credits fund in early 2018.

Robeco contributes furthermore 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 2018 for example we started engaging with companies on food security, directly linked to the goal of zero hunger and on waste management with a clear connection to responsible production and consumption, but also to several environmental goals.

<sup>2</sup> Sustainable Development Goals

### 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. For its analysis, this company makes use of the comprehensive Corporate Sustainability Assessment (CSA), which takes into account general and sector-specific sustainability criteria. 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 investments and can reach enhanced investment decisions.

# Report by the manager (continued)

## Sustainability 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, and for companies that seriously and habitually violate the United Nations Global Compact (UNGC). Exclusion is the last resort for this last category, which should only be applied after a failed dialogue with the company regarding improvement of its poor ESG practices. Robeco evaluates the practices of excluded companies at least once a year and can at any time decide to include a company in its investment universe again if that company can demonstrate that the desired improvements have been made and the violation of the Global Compact no longer exists. Robeco publishes its exclusion policy and the list of exclusions on its website. At the end of the third quarter of 2018 all Robeco funds excluded tobacco-related investments from their investment universe. The tobacco industry is increasingly being considered "socially disadvantageous" and this was recognized by the UN Global Compact which guides our sustainability investing policies.

### 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 2018, our activities towards achieving active ownership were again awarded the highest score (A+) under the Principles for Responsible Investment (PRI). Robeco has Active Ownership specialists in both Rotterdam and Hong Kong. In 2018 Robeco engaged with over 200 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.

### 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.

For Robeco Global Stars Equities Fund N.V., we voted at 37 shareholder meetings. At 23 (62%) of 37 meetings, we cast at least one vote against the 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 Sustainability 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.

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.

# Report by the manager (continued)

## Sustainability investing (continued)

### Engagement (continued)

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. With this program we try to exert an influence on these companies to persuade them to act in accordance with the UNGC principles. 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, the member of the Executive Committee responsible for investments can exclude this company from Robeco's investment universe. The Enhanced Engagement process is a formal part of Robeco's exclusion policy.

For Robeco Global Stars Equities Fund N.V., we entered into a dialogue with 12 companies, involving 12 Value Engagements and no Enhanced Engagements.

In December 2018, Robeco was recognized for its critical role in persuading Royal Dutch Shell to significantly strengthen its measures to reduce its carbon footprint. The moves follow long engagement activities. The commitment by Shell to fully respond to the engagement shows the value of dialogue and global partnership to deliver on goals of the Paris Agreement on climate change. The Anglo-Dutch oil major has agreed to set short-term targets for cutting carbon emissions. Shell aims to reduce its Net Carbon Footprint by around half by 2050 and by around 20% by 2035 as an interim step. Furthermore, Shell will link executive pay to meeting these objectives, and will incorporate long-term remuneration based on carbon emissions as part of its revised Remuneration Policy. Shell is the first energy company to link executive pay and carbon emissions. Together with the Church of England Pensions Board, Robeco led the investor engagement activities on behalf of Climate Action 100+, an initiative spearheaded by investors with more than USD 32 trillion in assets under engagement, and the Dutch corporate governance platform Eumedion.

### 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.

As ESG integration has been part of the fundamental investment processes for a few years, we did not make profound changes to our ESG frameworks in 2018. We did see the ESG score of the portfolio continue to improve in 2018.

## Statement of operational management

Robeco Institutional Asset Management B.V. has a statement of operational management, which meets the requirements of the Dutch Financial Supervision Act [Wet op het financieel toezicht, or 'Wft'] and the Dutch Market Conduct Supervision of Financial Enterprises Decree [Besluit Gedragstoezicht financiële ondernemingen, or 'BGfo'].

### Activities

During the past financial year we evaluated different aspects of corporate governance with the aid of a model with three 'lines of defense' as described in the section on Risk Management on page 20. In our assessment we noted nothing that would lead us to conclude that the description of the structural aspects of operational management within the meaning of article 121 of the BGfo failed to meet the requirements as specified in the Wft and related regulations.

### Statement of operational management

On the basis of this we, Robeco Institutional Asset Management B.V., declare that we possess a statement of operational management as defined in article 121 BGfo that meets the requirements of the BGfo. In our assessment 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 operational management has been effective and has functioned as described throughout the reporting year.

Rotterdam, 30 April 2019  
The Manager

# Annual financial statements

## Balance Sheet

<b>Before profit appropriation</b>	<b>Notes</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
		<b>EUR' 000</b>	<b>EUR' 000</b>
<b>ASSETS</b>			
<b>Investments</b>			
Equities	1	2,236,227	2,589,395
Derivatives	2	5,283	2,570
<b>Total investments</b>		<b>2,241,510</b>	<b>2,591,965</b>
<b>Accounts receivable</b>			
Receivables on securities transactions		2	–
Dividends receivable	3	193	408
Interest receivable		1	–
Amounts owed by affiliated parties	4	–	17
Receivables on collateral provided	5	450	1,430
Other receivables, prepayments and accrued income	6	5,965	5,339
<b>Total accounts receivable</b>		<b>6,611</b>	<b>7,194</b>
<b>Other assets</b>			
Cash and cash equivalents	7	<b>140,464</b>	<b>98,163</b>
<b>LIABILITIES</b>			
<b>Investments</b>			
Derivatives	2	<b>5,936</b>	<b>2,816</b>
<b>Accounts payable</b>			
Interest payable		27	–
Payable to credit institutions	8	–	1,045
Payable relating to collateral received	9	–	1,630
Payable to affiliated parties	10	1,734	1,972
Other liabilities, accruals and deferred income	11	3,603	3,106
<b>Total accounts payable</b>		<b>5,364</b>	<b>7,753</b>
<b>Accounts receivable and other assets less accounts payable</b>		<b>141,711</b>	<b>97,604</b>
<b>Assets less liabilities</b>		<b>2,377,285</b>	<b>2,686,753</b>
<b>Composition of shareholders' equity</b>			
Issued capital	12,13	64,580	68,834
Other reserve	12	2,389,834	2,297,316
Undistributed earnings	12	(77,129)	320,603
<b>Shareholders' equity</b>		<b>2,377,285</b>	<b>2,686,753</b>

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	2018 EUR' 000	2017 EUR' 000
Investment income	14	54,287	51,101
Unrealized gains	1, 2	343,385	428,969
Unrealized losses	1, 2	(606,779)	(520,068)
Realized gains	1, 2	312,578	527,888
Realized losses	1, 2	(158,347)	(143,941)
Receipts on surcharges and discounts on issuance and repurchase of own shares		283	720
<b>Total operating income</b>		<b>(54,593)</b>	<b>344,669</b>
<b>Costs</b>	18, 19		
Management fee	15	19,185	20,561
Service fee	15	3,000	3,153
Other costs	17	351	352
<b>Total operating expenses</b>		<b>22,536</b>	<b>24,066</b>
<b>Net result</b>		<b>(77,129)</b>	<b>320,603</b>

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

# Annual financial statements (continued)

## Cash flow statement

	Notes	2018 EUR' 000	2017 EUR' 000
<b>Cash flow from investment activities</b>			
Net result		(77,129)	320,603
Unrealized changes in value	1,2	263,394	91,099
Realized changes in value	1,2	(154,231)	(383,947)
Purchase of investments	1,2	(870,993)	(1,361,677)
Sale of investments	1,2	1,111,166	1,846,150
Increase (-)/decrease (+) accounts receivable	3,4,5,6	952	11,570
Increase (+)/decrease (-) accounts payable	9,10,11	(2,399)	(5,289)
		<b>270,760</b>	<b>518,509</b>
<b>Cash flow from financing activities</b>			
Received for shares subscribed		75,351	167,463
Paid for repurchase of own shares		(240,535)	(542,034)
Dividend paid		(67,155)	(73,481)
Increase (-)/decrease (+) accounts receivable	6	(369)	285
Increase (+)/decrease (-) accounts payable	11	1,055	(3,884)
		<b>(231,653)</b>	<b>(451,651)</b>
<b>Net cash flow</b>		<b>39,107</b>	<b>66,858</b>
Currency and cash revaluation		4,239	924
<b>Increase (+)/decrease (-) cash</b>		<b>43,346</b>	<b>67,782</b>
Cash at opening date	7	98,163	30,644
Accounts payable to credit institutions at opening date	8	(1,045)	(1,308)
<b>Total cash at opening date</b>		<b>97,118</b>	<b>29,336</b>
Cash at closing date	7	140,464	98,163
Accounts payable to credit institutions at closing date	8	–	(1,045)
<b>Total cash at closing date</b>		<b>140,464</b>	<b>97,118</b>

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 series include the following share classes:

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

## Accounting principles

### General

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

### 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 made by the fund related to 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 sale transaction is concluded or 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 exist. 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.

### 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 at balance sheet date at the exchange rate applicable on that day. Please refer to the currency table on page 36.

### 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.

# Notes (continued)

## Accounting principles (continued)

### 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 and expenses

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.

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.

## 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).

# Notes (continued)

## Risk management (continued)

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.

Significant changes in the field of legislation and regulation that could affect the funds managed by Robeco also took place in 2018. One important part of this is the European Directive on markets in financial instruments. This Directive, also known as MiFID II, took effect on 3 January 2018. European distributors of funds managed by Robeco will in principle no longer be permitted to receive and hold commission based on MiFID II. Robeco has defined what is known as a “target market” for each fund and has development, approval and review procedures to ensure that the funds it manages reflect the needs, characteristics and objectives of the target groups concerned. In addition Robeco facilitates the provision of information to the distributors of its funds, providing investors with more information, including - where relevant -, on the costs involved with the fund and its distribution prior to the provision of services. Robeco also applies the stricter rules with regard to best execution for the funds. Accordingly Robeco has published on the website per class of financial instrument the top five execution venues and/or brokers where orders were placed for execution, together with an analysis of the quality of execution. The costs of investment research have been taken for Robeco's own account and were not passed on to its clients. The requirements under this Directive have been fully implemented in a timely manner.

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 2018 national legislation implementing the Fourth Anti-Money Laundering Directive entered into force, as well as sector guidance for investment firms and fund managers, issued by European Supervisory Authorities, on simplified and enhanced customer due diligence. Although the Fourth Anti-Money Laundering Directive came into effect on 26 June 2017, it still has to be adopted in Dutch legislation. Robeco has reviewed its procedures and policy and made the necessary changes to ensure that the client review procedure is adequately designed to identify the risks of the client, Robeco's products and services and the countries in which the products are offered.

To ensure compliance with the General Data Protection Regulation (GDPR), which entered into force on 25 May 2018, and to ensure confidentiality, integrity and resilience of processing systems and services, Robeco identified all relevant business processes in which personal data are involved and assessed the controls that are in place. Robeco also concluded data processing agreements with all relevant parties that process personal data on behalf of Robeco and enhanced its policies and disclosures with regard to the processing of personal data and the rights of data subjects.

### Developments Financial Risk Management

Robeco continuously works to improve its risk management methodologies, risk infrastructure and framework. In order to enhance collaboration between Portfolio Management and Risk Management, the use of MSCI Barra has been tested, approved and implemented. This risk management system is used to conduct in-depth market risk analyses regarding factor risk exposures within Robeco's portfolios. Based on an integrated risk/return and (market standard) outside-in approach these analyses are used in portfolio risk deep dives.

# Notes (continued)

## Risk management (continued)

### Developments Financial Risk Management (continued)

As climate risk is becoming an essential part of the investment process, Financial Risk Management has committed itself to integrate ESG and climate risk within the risk management framework. In 2018 Financial Risk Management focused predominantly on developing climate stress scenarios based on carbon emissions and industry exposures within the investment portfolios.

Our system (Liquidity Metrics) and methodology for measuring liquidity risk among portfolios has been improved based on a partnership with IHS Markit ("Markit") where calculations are now based on real dealer quotes (from Markit) and actual trading sizes.

Robeco model validation framework has been benchmarked in 2018 by several external consultants. The reports concluded that Robeco's model validation framework meets market standards.

## 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.

At 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.

	31/12/2018	31/12/2018	31/12/2018	31/12/2018	31/12/2017
	Gross position	Exposure to	Net position	% of	% of
Currency exposure	EUR' 000	forward exchange contracts EUR' 000	EUR' 000	net assets	net assets
AUD	–	64,230	64,230	2.70	2.52
CAD	–	80,870	80,870	3.40	3.46
CHF	72,585	5,969	78,554	3.30	3.10
DKK	48,566	(34,365)	14,201	0.60	0.50
EUR	611,213	(367,877)	243,336	10.24	12.50
GBP	164,414	(22,289)	142,125	5.98	6.67
HKD	35,353	–	35,353	1.49	1.32
JPY	3	202,637	202,640	8.52	8.64
KRW	–	–	–	–	1.81
NOK	–	6,365	6,365	0.27	0.24
SEK	5,527	6,839	12,366	0.52	1.10
SGD	–	14,844	14,844	0.62	0.54
TWD	50,077	–	50,077	2.11	2.44
USD	1,390,200	42,124	1,432,324	60.25	55.16
<b>Total</b>	<b>2,377,938</b>	<b>(653)</b>	<b>2,377,285</b>	<b>100.00</b>	<b>100.00</b>

# Notes (continued)

## Risks relating to financial instruments (continued)

### Market risk (continued)

#### Currency risk (continued)

All outstanding forward exchange 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 (mainly) operate 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.

The portfolio includes positions in stock market index futures at balance sheet date. The table below shows the exposure to stock markets through stocks and stock-market index futures per country in amounts and as a percentage of the fund's total equity capital.

#### Concentration risk by country

		31/12/2018	31/12/2018	31/12/2017
	Equities	Total	% of	% of
	EUR' 000	exposure	net assets	net assets
		EUR' 000		
Denmark	48,444	48,444	2.04	0.70
Finland	21,710	21,710	0.91	–
France	190,176	190,176	8.00	8.15
Germany	65,670	65,670	2.76	–
Hong Kong <sup>1</sup>	35,346	35,346	1.49	1.32
Ireland	148,235	148,235	6.24	4.50
Japan	–	–	–	2.40
Netherlands	118,052	118,052	4.97	11.58
South Korea	–	–	–	1.81
Sweden	5,526	5,526	0.23	–
Switzerland	72,581	72,581	3.05	2.35
Taiwan <sup>1</sup>	49,634	49,634	2.09	2.35
United Kingdom	263,918	263,918	11.10	6.47
United States of America	1,216,935	1,216,935	51.19	54.67
<b>Total</b>	<b>2,236,227</b>	<b>2,236,227</b>	<b>94.07</b>	<b>96.30</b>

<sup>1</sup> These amounts include the fair value correction for markets that were open at the time the net asset value was calculated (2 January 2019). The prices known on January 2, 2019 at 6:00 am have been included in the valuation.

All outstanding futures have a remaining term of less than three months.

The sector concentrations are shown below.

#### Concentration risk by sector

	31/12/2018	31/12/2017
	% of net assets	% of net assets
Communication Services <sup>1</sup>	13.84	3.64
Consumer Discretionary	3.86	14.28
Consumer Staples	7.07	7.66
Energy	6.60	7.47
Financials	12.39	15.26
Health Care	11.10	12.48
Industrials	11.72	9.94
Information Technology <sup>1</sup>	21.00	21.23
Materials	6.49	4.35
Other assets and liabilities	5.93	3.69
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

<sup>1</sup>As of November 2018, the MSCI renamed the sector Telecommunication Services to Communication Services, which from then on included many internet stocks previously classified under the sector Information Technology.

# Notes (continued)

## Risks relating to financial instruments (continued)

### 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
	15%	32%	19%	32%

### 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.

	31/12/2018		31/12/2017	
	EUR' 000	% of net assets	EUR' 000	% of net assets
Unrealized gain on derivatives	5,283	0.22	2,570	0.10
Accounts receivable	6,611	0.28	7,194	0.27
Cash and cash equivalents	140,464	5.91	98,163	3.65
<b>Total</b>	<b>152,358</b>	<b>6.41</b>	<b>107,927</b>	<b>4.02</b>

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.

The table below contains the counterparties with an exposure of more than 5% of the fund assets.

Counterparty name	Total exposure EUR' 000	% of net assets	Rating
J.P. Morgan	140,464	5.91	A+

### 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.

# Notes (continued)

## Risks relating to financial instruments (continued)

### Risk of lending financial instruments (continued)

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 grade<sup>1</sup> credit rating;
- bonds of supranational bodies with a minimum investment grade<sup>1</sup> 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.

<sup>1</sup> 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	31/12/2018			31/12/2017		
	Amount in EUR' 000	% of portfolio	% of net assets	Amount in EUR' 000	% of portfolio	% of net assets
Shares lent out	168,471	7.53	7.09	49,430	1.91	1.84
<b>Total</b>	<b>168,471</b>	<b>7.53</b>	<b>7.09</b>	<b>49,430</b>	<b>1.91</b>	<b>1.84</b>

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	31/12/2018		31/12/2017	
			Positions lent out EUR' 000	Collateral received EUR' 000	Positions lent out EUR' 000	Collateral received EUR' 000
Credit Suisse	Switzerland	Tripartite <sup>1</sup>	180	190	33,955	36,476
Deutsche Bank	Germany	Tripartite <sup>1</sup>	51,496	57,234	705	769
ING Bank	The Netherlands	Tripartite <sup>1</sup>	–	–	11,116	11,898
J.P. Morgan	United States	Tripartite <sup>1</sup>	74,996	83,372	–	–
Morgan	United States	Tripartite <sup>1</sup>	41,799	43,890	–	–
Société Générale	France	Tripartite <sup>1</sup>	–	–	3,654	3,958
<b>Total</b>			<b>168,471</b>	<b>184,686</b>	<b>49,430</b>	<b>53,101</b>

<sup>1</sup>Tripartite means that the collateral is in the custody of an independent third party.

This collateral is not included on the balance sheet. The table below contains a breakdown of collateral received according to type. All securities received have an open-ended term.

# Notes (continued)

## Risks relating to financial instruments (continued)

### Risk of lending financial instruments (continued)

#### Collateral by type

			31/12/2018	31/12/2017
	Currency	Rating of government bonds	Market value in EUR' 000	Market value in EUR' 000
American Depositary Receipts	USD		–	1,711
Cash	DKK		43,890	–
Exchange Traded Funds	USD		–	879
Government bonds	JPY	Investment grade	–	28
Real-estate funds listed in OECD countries	GBP		–	151
Stocks listed in OECD countries	AUD		–	11,011
Stocks listed in OECD countries	CAD		–	89
Stocks listed in OECD countries	DKK		–	1
Stocks listed in OECD countries	EUR		12,497	4,635
Stocks listed in OECD countries	GBP		44,927	293
Stocks listed in OECD countries	JPY		–	19,661
Stocks listed in OECD countries	NOK		–	2,000
Stocks listed in OECD countries	SEK		–	894
Stocks listed in OECD countries	TWD		71	–
Stocks listed in OECD countries	USD		83,301	11,748
<b>Total</b>			<b>184,686</b>	<b>53,101</b>

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 (until 9 July 2018 RIAM) 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% (until 9 July 2018 RIAM receives a fee of 30%). 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

	2018			2017		
	Gross revenues in EUR' 000	Fee paid to RIAM / J.P. Morgan in EUR' 000	Net fund revenues in EUR' 000	Gross revenues in EUR' 000	Fee paid to RIAM in EUR' 000	Net fund revenues in EUR' 000
Shares lent out	59	15	44	72	22	50
<b>Total</b>	<b>59</b>	<b>15</b>	<b>44</b>	<b>72</b>	<b>22</b>	<b>50</b>

#### 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 risks 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.

#### 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.

# Notes (continued)

## Risks relating to financial instruments (continued)

### Manager

Robeco Institutional Asset Management B.V. ('RIAM') manages the fund. In this capacity RIAM handles asset 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'). 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 (until 9 July 2018 by Citibank Europe plc). J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch (until 9 July 2018 Citibank Europe plc) 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 (until 9 July 2018 Citibank Europe plc) 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 participants 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

	2018 EUR' 000	2017 EUR' 000
Book value (fair value) at opening date	2,589,395	2,783,997
Purchases	870,993	1,343,056
Sales	(1,100,028)	(1,843,274)
Unrealized losses	(262,987)	(91,719)
Realized gains	138,854	397,335
<b>Book value (fair value) at closing date</b>	<b>2,236,227</b>	<b>2,589,395</b>

EUR 55,815 thousand of the realized and unrealized results on the equities 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.

	2018 EUR' 000	2017 EUR' 000
Equities	845	3,261
Futures	–	25

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 Foreign Exchange	
	2018 EUR' 000	2017 EUR' 000
Book value (fair value) at opening date	(246)	(866)
Expirations	(11,138)	15,456
Unrealized (losses) / gains	(407)	620
Realized gains / (losses)	11,138	(15,456)
<b>Book value (fair value) at closing date</b>	<b>(653)</b>	<b>(246)</b>

#### Movements in derivatives

	Financial future contracts	
	2018 EUR' 000	2017 EUR' 000
Book value (fair value) at opening date	–	(1,433)
Purchases	–	3,165
Sales	–	(2,876)
Realized gains	–	1,144
<b>Book value (fair value) at closing date</b>	<b>–</b>	<b>–</b>

EUR 10,714 thousand of the realized and unrealized results on the derivatives relates to exchange rate differences. The presentation of derivatives on the balance sheet is based on the liabilities and receivables per contract.

## Notes to the balance sheet (continued)

### 2. Derivatives (continued)

#### Presentation of derivatives in the balance sheet

	Assets		Liabilities		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	EUR' 000					
Forward Currency Exchange Contracts	5,283	2,570	5,936	2,816	(653)	(246)
<b>Book value (fair value) at closing date</b>	<b>5,283</b>	<b>2,570</b>	<b>5,936</b>	<b>2,816</b>	<b>(653)</b>	<b>(246)</b>

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

### 4. Amounts owed by affiliated parties

This concerns the following receivables from RIAM:

	31/12/2018	31/12/2017
	EUR' 000	EUR' 000
Receivables from securities lending transactions	–	17
<b>Total</b>	<b>–</b>	<b>17</b>

### 5. Receivables on collateral provided

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

#### Collateral provided

Counterparty	Type	Currency	31/12/2018	31/12/2017
			EUR' 000	EUR' 000
Goldman Sachs	Cash	EUR	450	–
Rabobank	Cash	EUR	–	1,430
<b>Total</b>			<b>450</b>	<b>1,430</b>

### 6. Other receivables, prepayments and accrued income

This concerns:

	31/12/2018	31/12/2017
	EUR' 000	EUR' 000
Dividend tax to be reclaimed	5,596	5,285
Bank transactions to be classified	–	54
<b>Sub-total (investment activities)</b>	<b>5,596</b>	<b>5,339</b>
Receivables from issuance of new shares	369	–
<b>Sub-total (financing activities)</b>	<b>369</b>	<b>–</b>
<b>Total</b>	<b>5,965</b>	<b>5,339</b>

## Notes to the balance sheet (continued)

### 7. Cash and cash equivalents

This concerns:

	31/12/2018	31/12/2017
	EUR' 000	EUR' 000
Freely available cash	100,483	98,163
Other cash not freely accessible	39,981	–
<b>Total</b>	<b>140,464</b>	<b>98,163</b>

### 8. Payable to credit institutions

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

### 9. Accounts payable relating to collateral received

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

#### Collateral received

			31/12/2018	31/12/2017
Counterparty	Type	Currency	EUR' 000	EUR' 000
Barclays Bank	Cash	EUR	–	1,630
<b>Total</b>			<b>–</b>	<b>1,630</b>

### 10. Payable to affiliated parties

This concerns the following payables to RIAM:

	31/12/2018	31/12/2017
	EUR' 000	EUR' 000
Payable for management fee	1,497	1,708
Payable for service fee	237	264
<b>Total</b>	<b>1,734</b>	<b>1,972</b>

### 11. Other liabilities, accruals and deferred income

This concerns:

	31/12/2018	31/12/2017
	EUR' 000	EUR' 000
Costs payable	58	–
Monies received in error	–	460
Others	–	156
<b>Sub-total (investment activities)</b>	<b>58</b>	<b>616</b>
Dividends payable	725	1,093
Payable for acquisition of own shares	2,820	1,397
<b>Sub-total (financing activities)</b>	<b>3,545</b>	<b>2,490</b>
<b>Total</b>	<b>3,603</b>	<b>3,106</b>

## Notes to the balance sheet (continued)

### 12. Shareholders' equity

#### Composition and movements in shareholders' equity

	2018 EUR' 000	2017 EUR' 000
<b>Issued capital Robeco Global Stars Equities Fund</b>		
Situation on opening date	34,327	41,686
Received on shares issued	806	1,564
Paid for shares repurchased	(3,783)	(8,923)
Situation on closing date	<b>31,350</b>	<b>34,327</b>
<b>Issued capital Robeco Global Stars Equities Fund - EUR G</b>		
Situation on opening date	34,507	37,268
Received on shares issued	1,106	1,572
Paid for shares repurchased	(2,383)	(4,333)
Situation on closing date	<b>33,230</b>	<b>34,507</b>
<b>Other reserves</b>		
Situation on opening date	2,297,316	2,573,408
Received on shares issued	73,439	164,327
Paid for shares repurchased	(234,369)	(528,778)
Addition of result in previous financial year	253,448	88,359
Situation on closing date	<b>2,389,834</b>	<b>2,297,316</b>
<b>Undistributed earnings</b>		
Situation on opening date	320,603	161,840
Robeco Global Stars Equities Fund - dividend paid	(33,125)	(37,729)
Robeco Global Stars Equities Fund - EUR G - dividend paid	(34,030)	(35,752)
Addition to other reserves	(253,448)	(88,359)
Net result for financial year	(77,129)	320,603
Situation on closing date	<b>(77,129)</b>	<b>320,603</b>
<b>Situation on closing date</b>	<b>2,377,285</b>	<b>2,686,753</b>

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 Global Stars Equities Fund shares and 149,999,990 Robeco 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

## Notes to the balance sheet (continued)

### 12. Shareholders' equity (continued)

#### Survey of movements in net assets

	2018 EUR' 000	2017 EUR' 000
<b>Assets at opening date</b>	<b>2,686,753</b>	<b>2,814,202</b>
Company shares issued	75,351	167,463
Company shares repurchased	(240,535)	(542,034)
<b>Situation on closing date</b>	<b>2,521,569</b>	<b>2,439,631</b>
Investment income	54,287	51,101
Receipts on surcharges and discounts on issuance and repurchase of own shares	283	720
Management fee	(19,185)	(20,561)
Service fee	(3,000)	(3,153)
Other costs	(351)	(352)
	<b>32,034</b>	<b>27,755</b>
Changes in value	(109,163)	292,848
<b>Net result</b>	<b>(77,129)</b>	<b>320,603</b>
Dividend paid	(67,155)	(73,481)
<b>Assets at closing date</b>	<b>2,377,285</b>	<b>2,686,753</b>

### 13. Assets, shares outstanding and net asset value per share

	31/12/2018	31/12/2017	31/12/2016
<b>Robeco Global Stars Equities Fund</b>			
Fund assets in EUR' 000	1,111,046	1,295,714	1,444,339
Situation of number of shares issued at opening date	34,327,175	41,686,459	48,547,961
Shares issued in financial year	806,061	1,564,148	1,841,648
Shares repurchased in financial year	(3,782,590)	(8,923,432)	(8,703,150)
Number of shares outstanding	31,350,646	34,327,175	41,686,459
Net asset value per share in EUR	35.44	37.75	34.65
Dividend paid per share during the financial year	1.00	1.00	1.20
<b>Robeco Global Stars Equities Fund - EUR G</b>			
Fund assets in EUR' 000	1,266,239	1,391,039	1,369,863
Situation of number of shares issued at opening date	34,506,993	37,267,797	40,016,999
Shares issued in financial year	1,105,532	1,571,575	1,254,811
Shares repurchased in financial year	(2,382,667)	(4,332,379)	(4,004,013)
Number of shares outstanding	33,229,858	34,506,993	37,267,797
Net asset value per share in EUR	38.11	40.31	36.76
Dividend paid per share during the financial year	1.00	1.00	1.00

## Notes to the profit and loss account

### Income

#### 14. Investment income

This concerns:

	2018 EUR' 000	2017 EUR' 000
Dividends received*	54,084	51,322
Interest	(287)	(322)
Net revenues from securities lending	44	50
Other**	446	51
<b>Total</b>	<b>54,287</b>	<b>51,101</b>

\* 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

#### 15. 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 Global Stars Equities Fund %	Robeco Global Stars Equities Fund - EUR G %
Management fee	1.00	0.50
Service fee <sup>1</sup>	0.12	0.12

<sup>1</sup> 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 cover 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 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. Costs for the external auditor are not included in the fund's results. Of the costs paid by RIAM for the external auditor, EUR 8 thousand related to the audit of Robeco 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.

#### 16. Performance fee

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

#### 17. Other costs

This concerns:

	2018 EUR' 000	2017 EUR' 000
Custody fee	173	143
Bank charges	–	2
Costs for fund agent	12	17
Other costs relating to own shares	25	23
Depository fee	141	167
<b>Total</b>	<b>351</b>	<b>352</b>

## Notes to the profit and loss account (continued)

### 18. Ongoing charges

	Robeco Global Stars Equities Fund		Robeco Global Stars Equities Fund - EUR G	
	2018 %	2017 %	2018 %	2017 %
Management fee	1.00	1.00	0.50	0.50
Service fee	0.12	0.12	0.11	0.12
Other costs	0.02	0.01	0.02	0.01
Proportion of income on securities lending payable	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1.14</b>	<b>1.13</b>	<b>0.63</b>	<b>0.63</b>

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. Not included in the ongoing charges are also 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 24 is included separately in the ongoing charges.

### 19. Maximum costs

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

	2018 EUR' 000	2018 % of net assets	Maximum as specified in the prospectus <sup>1</sup>
Management fee for Robeco Global Stars Equities Fund share class	12,334	1.00	1.00
Service fee for Robeco Global Stars Equities Fund share class	1,432	0.12	0.12
Management fee for Robeco Global Stars Equities Fund - EUR G share class	6,851	0.50	0.50
Service fee for Robeco Global Stars Equities Fund - EUR G share class	1,568	0.11	0.12
Custody fee and bank cost	173	0.01	0.02
Costs for fund agent	12	0.00	0.02
Depository fee	141	0.01	0.01

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

### 20. Turnover rate

The turnover rate for the reporting period was 63% (for the previous reporting period it was 91%). 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 shares is determined as the balance of all issues and repurchases in the fund. Cash and money-market investments with an original life to maturity of less than one month are not taken into account in the calculation.

### 21. 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	2018 %	2017 %
Securities-lending transactions	RIAM	25.73	100.00

## Notes to the profit and loss account (continued)

### 21. Transactions with affiliated parties (continued)

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

	<b>Counterparty</b>	<b>2018 EUR' 000</b>	<b>2017 EUR' 000</b>
Management fee	RIAM	19,185	20,561
Service fee	RIAM	3,000	3,153

### 22. Fiscal status

The fund has the status of a fiscal investment institution. A further description of the fiscal status is included in the general information of the management report on page 4.

### 23. Proposed profit appropriation

For the financial year 2018, 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 2018 it has been proposed to determine the dividend per share for the financial year 2018 at:

- EUR 1.00 per share (previous year: EUR 1.00) for the Robeco Global Stars Equities Fund share class.
- EUR 1.00 per share (previous year: EUR 1.00) for the Robeco 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 on 12 June 2019. With effect from 20 May 2019 the shares of Robeco Global Stars Equities Fund and Robeco Global Stars Equities Fund - EUR G will be quoted ex - dividend on the stock exchange.

Shareholders will be offered the opportunity to reinvest the dividend (less dividend tax) in Robeco Global Stars Equities Fund and Robeco Global Stars Equities Fund - EUR G shares. The price used to calculate this is the transaction price of the shares on the stock market of Euronext Amsterdam, Euronext Fund Service segment, on 7 June 2019. 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.

### 24. 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.

## Currency table

### Exchange rates

	31/12/2018	31/12/2017
	EUR = 1	EUR = 1
AUD	1.6250	1.5353
CAD	1.5591	1.5045
CHF	1.1256	1.1702
DKK	7.4674	7.4454
GBP	0.9015	0.8877
HKD	8.9534	9.3871
JPY	126.2597	135.2701
KRW	1,275.8615	1,285.5165
NOK	9.9867	9.8218
SEK	10.2713	9.8315
SGD	1.5619	1.6048
TWD	35.1462	35.7340
USD	1.1434	1.2008

# Schedule of Investments

As at 31 December 2018

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	735,120	48,444	2.04
			<u>48,444</u>	<u>2.04</u>
<i>Finland</i>				
UPM-Kymmene OYJ	EUR	980,154	21,710	0.91
			<u>21,710</u>	<u>0.91</u>
<i>France</i>				
AXA SA	EUR	2,423,678	45,517	1.91
Pernod Ricard SA	EUR	315,296	44,583	1.88
Vivendi SA	EUR	4,761,011	100,076	4.21
			<u>190,176</u>	<u>8.00</u>
<i>Germany</i>				
Deutsche Boerse AG	EUR	349,029	36,630	1.54
Knorr-Bremse AG	EUR	369,369	29,040	1.22
			<u>65,670</u>	<u>2.76</u>
<i>Hong Kong</i>				
AIA Group Ltd.	HKD	5,004,800	35,859	1.51
			<u>35,859</u>	<u>1.51</u>
<i>Ireland</i>				
Allegion plc	USD	1,033,952	71,028	2.99
Linde plc	USD	564,788	77,207	3.25
			<u>148,235</u>	<u>6.24</u>
<i>Netherlands</i>				
Heineken NV	EUR	673,141	51,509	2.17
ING Groep NV	EUR	7,110,877	66,543	2.80
			<u>118,052</u>	<u>4.97</u>
<i>Sweden</i>				
Lundin Petroleum AB	SEK	256,353	5,526	0.23
			<u>5,526</u>	<u>0.23</u>
<i>Switzerland</i>				
Roche Holding AG	CHF	335,636	72,581	3.05
			<u>72,581</u>	<u>3.05</u>
<i>Taiwan</i>				
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	7,905,000	50,719	2.13
			<u>50,719</u>	<u>2.13</u>
<i>United Kingdom</i>				
Liberty Global plc 'C'	USD	1,197,243	21,506	0.90
Reckitt Benckiser Group plc	GBP	1,070,688	72,048	3.03
Rio Tinto plc	GBP	1,328,187	55,436	2.33

# Schedule of Investments (continued)

As at 31 December 2018

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 Kingdom (continued)</i>				
Royal Dutch Shell plc 'A'	GBP	1,436,646	36,671	1.54
Royal Dutch Shell plc 'A'	EUR	3,068,281	78,257	3.30
			<u>263,918</u>	<u>11.10</u>
<i>United States of America</i>				
AbbVie, Inc.	USD	639,031	50,924	2.14
Adobe, Inc.	USD	194,421	37,939	1.60
Alphabet, Inc. 'A'	USD	112,413	102,900	4.33
Amazon.com, Inc.	USD	50,909	65,805	2.76
Anthem, Inc.	USD	320,048	72,516	3.05
Apple, Inc.	USD	426,434	58,264	2.45
Biogen, Inc.	USD	264,661	67,937	2.86
Booking Holdings, Inc.	USD	17,361	26,051	1.10
Broadcom, Inc.	USD	296,572	65,773	2.77
Charter Communications, Inc. 'A'	USD	419,031	104,471	4.39
Cisco Systems, Inc.	USD	1,265,016	47,317	1.99
Citigroup, Inc.	USD	754,110	34,182	1.44
CME Group, Inc.	USD	148,708	24,204	1.02
Halliburton Co.	USD	1,574,679	36,439	1.53
Microsoft Corp.	USD	1,458,557	128,054	5.39
NVIDIA Corp.	USD	181,210	21,180	0.89
Parker-Hannifin Corp.	USD	351,928	45,628	1.92
State Street Corp.	USD	937,856	52,066	2.19
Union Pacific Corp.	USD	706,470	84,508	3.55
Visa, Inc. 'A'	USD	792,718	90,777	3.82
			<u>1,216,935</u>	<u>51.19</u>
Total Equities			<u>2,237,825</u>	<u>94.13</u>
Total Transferable securities and money market instruments admitted to an official exchange listing			<u>2,237,825</u>	<u>94.13</u>
<b>Total Investments</b>			<b><u>2,237,825</u></b>	<b><u>94.13</u></b>
<b>Fair Value Adjustment<sup>1</sup></b>			<b><u>(1,598)</u></b>	<b><u>(0.06)</u></b>
<b>Cash</b>			<b><u>140,464</u></b>	<b><u>5.91</u></b>
<b>Other Assets/(Liabilities)</b>			<b><u>594</u></b>	<b><u>0.02</u></b>
<b>Total Net Assets</b>			<b><u>2,377,285</u></b>	<b><u>100.00</u></b>

<sup>1</sup> These amounts include the fair value correction for markets that were open at the time the net asset value was calculated (2 January 2019). The prices known on January 2, 2019 at 6:00 am have been included in the valuation.

# Schedule of Investments (continued)

As at 31 December 2018

## Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
CHF	15,517,069	EUR	(13,646,966)	16/01/2019	Barclays	141	0.01
EUR	34,397,921	DKK	(256,606,419)	16/01/2019	HSBC	32	–
EUR	23,036,597	GBP	(20,102,260)	16/01/2019	HSBC	747	0.03
EUR	15,000,000	JPY	(1,892,314,350)	16/01/2019	Rabobank	13	–
EUR	89,823,550	USD	(101,991,232)	16/01/2019	HSBC	729	0.03
EUR	27,124,523	USD	(31,020,000)	16/01/2019	Rabobank	27	–
JPY	27,478,000,000	EUR	(214,079,280)	16/01/2019	HSBC	3,545	0.15
SEK	70,248,648	EUR	(6,834,233)	16/01/2019	Citigroup	5	–
SGD	23,204,974	EUR	(14,817,944)	16/01/2019	Barclays	26	–
USD	30,380,000	EUR	(26,523,006)	16/01/2019	Citigroup	16	–
USD	16,258,610	EUR	(14,200,000)	16/01/2019	HSBC	2	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts</b>						<b>5,283</b>	<b>0.22</b>
AUD	104,466,310	EUR	(66,263,546)	16/01/2019	HSBC	(2,034)	(0.09)
CAD	126,174,431	EUR	(84,014,120)	16/01/2019	HSBC	(3,144)	(0.13)
EUR	7,782,147	CHF	(8,800,000)	16/01/2019	Citigroup	(37)	–
NOK	63,600,000	EUR	(6,589,194)	16/01/2019	HSBC	(224)	(0.01)
USD	101,320,000	EUR	(88,889,170)	16/01/2019	Citigroup	(381)	(0.02)
USD	33,274,714	EUR	(29,183,813)	16/01/2019	HSBC	(116)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts</b>						<b>(5,936)</b>	<b>(0.25)</b>
<b>Net Unrealised Loss on Forward Currency Exchange Contracts</b>						<b>(653)</b>	<b>(0.03)</b>

Rotterdam, 30 April 2019

The Manager  
Robeco Institutional Asset Management B.V.

Policymakers RIAM:  
Gilbert O.J.M. Van Hassel  
Karin van Baardwijk  
Monique D. Donga  
Peter J.J. Ferket  
Martin O. Nijkamp  
Hans-Christoph von Reiche  
Victor Verberk

## 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 2018 and 31 December 2018 are shown in the table below.

#### Directors' interests

<b>At 1 January 2018</b>	<b>Description</b>	<b>Quantity</b>
ING Group NV	Shares	221,964
Royal Dutch Shell	Shares	990

  

<b>On 31 December 2018</b>	<b>Description</b>	<b>Quantity</b>
ING Group NV	Shares	230,888
Royal Dutch Shell	Shares	990



# Independent auditor's report

To: the General Meeting of Shareholders of Robeco 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 2018**

### **Our opinion**

In our opinion the financial statements give a true and fair view of the financial position of Robeco Global Stars Equities Fund N.V. ("the company") as at 31 December 2018, and of its result and cash flows for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### **What we have audited**

We have audited the 2018 financial statements of Robeco Global Stars Equities Fund N.V., based in Rotterdam.

The financial statements consist of:

- 1 the balance sheet at 31 December 2018;
- 2 the profit and loss account for 2018;
- 3 the cash flow statement for 2018; and
- 4 the notes comprising a summary of the significant 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 Global Stars Equities Fund N.V. as required in the European Regulation concerning specific requirements for statutory audits of financial statements of public interest entities, the Dutch Audit Firms (Supervision) Act (*Wet toezicht accountantsorganisaties*, or 'Wta'), the Regulation on the independence of auditors in

assurance engagements (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten*, or 'ViO') and other relevant independence regulations in the Netherlands. We have also complied with the Dutch rules of professional conduct and practice for auditors (*Verordening gedrags- en beroepsregels accountants*, or 'VGBA').

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

## Audit approach

### Summary

<b>Materiality</b>
<ul style="list-style-type: none"><li>— Materiality of EUR 24 million</li><li>— 1,0% of equity of the company</li></ul>
<b>Scope of the audit</b>
<ul style="list-style-type: none"><li>— Outsourcing of business processes to service providers</li></ul>
<b>Key audit matters</b>
<ul style="list-style-type: none"><li>— Existence and valuation of investments</li><li>— Accuracy of the operating income</li><li>— Migration of data and processes to J.P. Morgan</li></ul>
<b>Opinion</b>
Unqualified

### Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 24 million (2016: EUR 27 million).

Materiality is determined based on the equity of the company (1%). We consider the equity to be the most appropriate measure, since the equity of an investment entity represents the value that an investor could receive on the sale of their share in the investment entity. Changes in the value of the investments are an important part of the investment proceeds and therefore the result of an investment entity. Due to the dependency on the value changes both the total revenues and the profit before tax are inherently volatile and therefore less suited 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. Materiality, as a percentage of shareholders' equity, is unchanged relative to the last financial year.



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We have agreed with those charged with governance that we would report differences identified during our audit in excess of EUR 1.2 million to them, as well as smaller differences that we believe to be relevant for qualitative reasons.

### **Scope of the audit**

#### *Outsourcing of business processes to service providers*

Robeco 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 Global Stars Equities Fund N.V., and the reports specifically prepared for this (so-called ISAE 3402 type II reporting). Our audit procedures consisted of determining the minimum expected controls at RIAM, and evaluating the controls which are included in the ISAE 3402 type II report, the procedures performed in order to test the effectiveness of those 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 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 Global Stars Equities Fund N.V. relevant internal controls within the processes of RIAM are appropriate to be relied on during our audit procedures relating to the financial statements of Robeco Global Stars Equities Fund N.V.

### **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 matter to those charged with governance. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was 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 this matter.

#### **The existence and valuation of investments**

##### **Description**

The company's investments amount to more than 95% of the total assets. The investments are valued at fair value based on market information. The determination of the fair value for each investment category is disclosed on pages 20 and 21. The valuation of the investments has a significant impact on the financial results. We assess the risk of a material misstatement in the valuation of the investments as low due to the fact that the



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portfolio consists of liquid, listed investments which are traded on an active market. In addition, the remainder of the investments consist of derivative instruments (forward currency contracts and futures). 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.

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### **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.
- determining that the used price is based on the method which is defined for the relevant investment category, as stated on page 20 and 21. We performed this procedure by comparing the used valuations of the investments with our independent valuation which is based on observable market prices and/or input variables. In performing these procedures we have used our valuation specialists.

Furthermore we evaluated the adequacy of the disclosure in the financial statements as included under 'Investments' and 'Derivatives'.

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### **Our observation**

Based on our procedures we conclude that the investments exist and that the manager of the fund's 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 adequate.

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## **Accuracy of the operating income**

### **Description**

The operating income consists mainly of 'investment income' and 'changes in value'. The investment income consists of dividends. The changes in value consists of (un)realized gains and losses. The operating income are based on the accounting policies as described in the notes on the financial statements. The operating income are to a large extent decisive for the performance of the fund and have therefore a significant effect on the overall picture presented by the financial statements. For that reason we consider the accuracy of the operating income as a key audit matter.

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### **Our approach**

Our audit procedures consisted of the following:

- we have assessed the design, implementation and operating effectiveness of the relevant 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 operating 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 operating income as accounted for. We have involved our specialists in this procedure.
  - we have assessed the accuracy of the changes in value by reconciling the unrealised gains or losses to the audit evidence as obtained for the existence and valuation of investments (as described in the Key Audit Matter 'Existence and valuation of investments'). We have audited the realised gains and losses by using data and
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analytics techniques. On the basis of the composition of the investment portfolio a synthetic benchmark was created to determine an expected performance of the fund. The expected performance was compared to the actual performance of the fund. For this procedure we made use of specialists.

- We evaluated the disclosure in the financial statements in the notes on Equities, Derivatives and Investment income.

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### **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 adequate.

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## **Outsourcing of data and activities to J.P. Morgan**

### **Description**

As stated in the report by the board (page 4) J.P. Morgan is per 9 July 2019 the service provider for securities lending and per 1 December 2018 J.P. Morgan also became the provider of administration services for the funds (operational activities), custody and transfer agent.

Although both parties, Robeco Institutional Asset Management B.V. (RIAM) and J.P. Morgan (JPM), make use of sophisticated systems to record and process data, the migration of the records between RIAM and J.P. Morgan is risky since it relates to critical information and requires manual inputs and adjustments.

The transfer of data and activities to JP Morgan's systems and control environment could result in errors that might lead to misstatements in the financial statements. Therefore the migration of data and activities is considered to be one of the key items of our audit.

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### **Our approach**

As part of our audit procedures we have performed substantive procedures specifically designed to gain comfort over the opening balances as at 1st December 2018 at J.P. Morgan. These procedures include amongst others:

- We have analysed the "parallel run" NAV (Net Asset Value) results and remedial actions taken;
- We evaluated the work performed by internal audit of RIAM on the migration by inquiry with the employees responsible and inspecting the pre- and post-migration reports made.
- We have verified the reconciliation between the closing accounts of the last official NAV at RIAM with the opening balances of the first official NAV at JPM;
- We have determined that there are no inexplicable differences between the administration and the external confirmation as received from the custodian, the banks and other counter parties
- We have determined that the subscriptions and redemptions as accounted for is reconciling with data provided by the external transfer agent.

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### **Our observation**

Based on our procedures performed we conclude that the migration of data and activities was adequate and did not result in a material error in the financial statements.

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## 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 that consists of:

- the report by the board;
- 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 Netherlands 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 Netherlands 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 report by the board in accordance with Part 9 of Book 2 of the Netherlands Civil Code and other information pursuant to Part 9 of Book 2 of the Netherlands 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 company as of the audit for year 2014 and have operated as statutory auditor since then.

### No prohibited services

We have not provided any prohibited 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 Netherlands Civil Code and the requirements set with regard to the financial statements by or pursuant to the Wft. Furthermore, the manager of the fund is responsible for such internal control as the manager



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of the fund determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the manager of the fund is responsible for assessing the company'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 company 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 company'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.

Amstelveen, 30 April 2019

KPMG Accountants N.V.

G.J. Hoeve RA

Appendix: Our responsibilities for the audit of the financial statements



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## Appendix

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 e.g.:

- 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 company'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 company'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 company 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.

In case of a group audit we are, given our ultimate responsibility for the opinion, also responsible for directing, supervising and performing the group audit. In this respect we determine the nature and extent of the audit procedures to be carried out for group entities. Decisive are the size and/or the risk profile of the group entities or operations. On this basis, we select group entities for which an audit or review has to be carried out on the complete set of financial information or specific items.

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 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



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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.



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