

# Robeco Institutional Emerging Markets Fonds

2023

Annual Report

Fund for joint account

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# Robeco Institutioneel Emerging Markets Fonds

(open fund for joint account incorporated under Dutch law, subject to the definitions contained within the 1969 Dutch Corporation Tax Act, established in Rotterdam, the Netherlands)

## Manager

Robeco Institutional Asset Management B.V. ('RIAM')

## Executive Committee ('ExCo') of RIAM

Robeco Institutional Asset Management B.V. ('RIAM')

Daily policymakers RIAM:

K. (Karin) van Baardwijk CEO\*

M.D. (Malick) Badjie (since 1 January 2024)

I.R.M. (Ivo) Frielink

M.C.W. (Mark) den Hollander\*

M.F. (Mark) van der Kroft

A. (Alexander) Preininger (until 31 December 2023)

M. (Marcel) Prins\*

V. (Victor) Verberk (until 22 May 2023)

\* also statutory director

## Supervisory directors of RIAM

M.F. (Maarten) Slendebroek

S. (Sonja) Barendregt-Roojers

S.H. (Stanley) Koyanagi

M.A.A.C. (Mark) Talbot

R.R.L. (Radboud) Vlaar

## Depositary

J.P. Morgan SE, Amsterdam Branch

Strawinskylaan 1135,

NL-1077 XX Amsterdam

## Transfer Agent

J.P. Morgan SE, Luxembourg Branch

6, route de Trèves

L-2633 Senningerberg

Grand Duchy of Luxembourg

## Fund managers

Dimitri Chatzoudis

Wim-Hein Pals

Jaap van der Hart

Cornelis Vlooswijk

## Independent Auditor

KPMG Accountants N.V.

Weena 650,

NL-3012 CN Rotterdam

## Address

Weena 850

PO Box 973

NL-3000 AZ Rotterdam

Telephone +31 (0)10 - 224 12 24

Internet: [www.robeco.com](http://www.robeco.com)

# Report by the manager

## General information

### Legal aspects

Robeco Institutioneel Emerging Markets Fonds (the “Fund”) is an investment institution as referred to in Section 1:1 of the Dutch Financial Supervision Act (hereinafter: “Wft”) and falls within the scope of the European Directive (2011/61/EU) for Alternative Investment Fund Managers.

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 SE, Amsterdam Branch. J.P. Morgan SE, Amsterdam Branch is appointed as the depositary of the Fund as referred to in Section 4:62m Wft. The depositary is responsible for supervising the Fund insofar as required under and in accordance with the applicable legislation e.g. monitoring the Fund’s cashflows, monitoring investments, checking whether the net asset value of the Fund is determined in the correct manner, checking that the equivalent value of transactions relating to the Fund assets is transferred, checking that the income from the Fund is used as prescribed in applicable law and regulations and the Fund documentation, etc. The manager, the legal title holder (Stichting Custody Robeco Institutional) and J.P. Morgan SE, Amsterdam Branch have concluded a depositary and custodian agreement. In this agreement the responsibilities of the depositary are described. Besides the abovementioned supervising tasks, the main responsibilities of the depositary are e.g. holding in custody the assets of the Fund, establishing that the assets have been acquired by the Fund and that this has been recorded in the accounts, establishing that the issuance, repurchase, repayment and withdrawal of the Fund’s participating units takes place in accordance with the fund documentation and applicable law and regulations and carrying out the managers instructions.

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

### Strategic partnership with Van Lanschot Kempen

In February 2023, Robeco and Van Lanschot Kempen signed an agreement for a strategic partnership including the transfer of Robeco’s online retail distribution platform for investment services to Van Lanschot Kempen. Robeco completed the sale of the online retail distribution platform on 1 July 2023. The partnership fits in with Robeco’s strategic focus on its core business in the Dutch and global wholesale and institutional markets. Robeco’s retail clients retain their current investments under the same conditions at Van Lanschot Kempen, Robeco’s investments funds remain available to retail clients through Van Lanschot Kempen’s distribution platform Evi van Lanschot. Robeco Retail employees in the Netherlands are part of Van Lanschot Kempen as of 1 July 2023.

### 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 general affairs of Robeco and its businesses as managed by the Management Board and Executive Committee, including 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. The interests of clients are considered to be a key issue and, consequently, an important point of focus.

Based on periodic reports, the Supervisory Board discussed the results of the funds with the Management Board and Executive Committee. 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, amongst other things the (interim) financial reports of the funds and the reports of the independent auditor were discussed. In addition, risk management, incident management, tax, legal, compliance issues and quarterly reports from internal audit, compliance, legal affairs and risk management were discussed.

# Report by the manager (continued)

## General information (continued)

### Tax features

The Fund is an open fund for joint account established in the Netherlands. The Fund is formed from the Fund assets that are pooled from deposits made by participants, entitling them to a participation in the Fund assets. 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% corporation tax is due, providing that, after the deduction of costs, the Fund makes its profit available for distribution to participants in the form of dividend within eight months of the close of the financial year and satisfies any other relevant regulations.

### Issuance and repurchase of participating units

The issuance and repurchasing of participating units is possible exclusively through the Fund in accordance with the terms set out in the Terms and Conditions for Management and Custody. For entry into the Fund or for an increase in participation or for full or partial redemption of the participation, the manager will charge a fee on the deposit or cancellation value to cover the associated transaction costs. These fees will accrue to the Fund. The fee thus determined can be requested from the manager. The actual maximum surcharge or discount is published on [www.robeco.com/en/riam](http://www.robeco.com/en/riam).

### Terms and Conditions for Management and Custody

The Terms and Conditions for Management and Custody of Robeco Institutioneel Emerging Markets Fonds can be obtained from the Fund's address.

# Report by the manager (continued)

## Key figures

### Overview 2019 – 2023

	2023	2022	2021	2020	2019	Average
<b>Performance in % based on:</b>						
– Net asset value <sup>1</sup>	12.5	-15.3	5.6	3.4	28.1	5.9
– MSCI Emerging Markets Index (net return, in EUR) <sup>2</sup>	6.1	-14.9	4.9	8.5	20.6	4.4
Dividend <sup>3</sup>	4.60	6.00 <sup>5</sup>	5.40	3.40	2.58	
Total net assets <sup>4</sup>	568	673	841	1,171	1,310	

<sup>1</sup> Any dividends distributed in any year are assumed to have been reinvested in the Fund.

<sup>2</sup> The exchange rates of World Market Reuters are used to make the currency conversion.

<sup>3</sup> The dividend relates to the reporting year mentioned and is distributed in the following year. 2023 concerns a proposal. Further information on the proposed dividend can be found in the section Proposed profit appropriation on page 39.

<sup>4</sup> In millions of euros.

<sup>5</sup> In order to meet the tax distribution obligation, a revised dividend proposal was submitted to the General Meeting of Shareholders (GMS): This proposal was approved by the GMS.

## General introduction

### Financial markets environment

Economies grew in 2023 against a backdrop of a maturing monetary policy tightening cycle. In their successful battle against inflation, policymakers in the G7 raised policy rates by 425 basis points (calculated as a weighted average) between March 2022 and the end of 2023. Central banks seemed to have settled on keeping rates on hold by the end of 2023. A key feature of the 2023 economic landscape was that central banks managed to contain inflation without unemployment rising, delivering what has become known as “immaculate disinflation”. From its 10.6% peak in October 2022, Eurozone consumer price inflation dropped to 2.9% by December 2023. While the Eurozone entered a recession, the unemployment rate in December 2023 stood at just 6.4%, an all-time low. While the weakness of the Eurozone’s economic activity was mainly concentrated in the manufacturing sector at the start of 2023, there were indications of a slowdown in the services sector during the second half of the year.

The US economy defied prior consensus expectations that it would enter a recession in 2023. Leading macro indicators such as the inverted US sovereign bond yield curve and producer confidence surveys in the manufacturing sector had been flagging a looming slowdown for the business cycle before 2023 began. Yet the US real economy (in other words, corrected for inflation) expanded at an above-trend rate of 2.5% in 2023. Household consumption growth was the main reason, with spending power underpinned by high savings, real wage growth thanks to a tight US labor market and a lingering positive fiscal impulse. Japanese real activity expanded by a healthy 1.5% in 2023 against a backdrop of signs of sustained reflation and the corporate governance reforms initiated under former Prime Minister Abe starting to pay off.

Persistent weakness in China’s housing market inhibited domestic consumption growth in 2023. While it achieved its official 2023 growth target of 5% due to exports of high-value-added items like electric vehicles and solar panels, China is experiencing a different macro cycle from the members of the G7. In fact, the country is battling deflation due to excess supply issues and ongoing efforts to deleverage. Chinese consumer price inflation fell to -0.5% year-on-year in November 2023.

### Outlook for the equity market

The MSCI World Index rose by 19.6% in euro terms in 2023. Even though this was almost three times the average annual return for equities over the past century, it only brought the index back to the level it was at the end of 2021. And while the breadth of US equity market returns increased in the fourth quarter, US equities’ performance was still mainly driven by a small number of leading US technology companies, which became known as the “Magnificent 7”, in 2023. The potential of generative AI created a powerful narrative about increased cash flows that led to multiple expansion for major technology stocks such as Meta and Microsoft. Strong earnings helped large technology companies in the S&P 500 Index gain more than 50% over the year, whereas the broad S&P 500 Index was only up by 24%.

2024 could be much more challenging for equity investors, as the prevailing environment of negative inflation surprises and positive macroeconomic surprises is unlikely to persist. Getting inflation back down to 2% is likely to prove difficult for central banks, as doing so will probably come at the cost of rising unemployment, which will hit consumer sentiment. This means that current consensus double-digit earnings growth forecasts for developed markets are expected to be too optimistic. Furthermore, the prevailing consensus for 2024 seems to involve some inconsistencies. If there is a soft landing for the US economy, which is a widely held view, it is unlikely to see the deep rate cuts as currently reflected in the Fed funds futures curve materialize. Something will have to give in this respect during 2024, probably leading to volatility in the equity markets. It will also be a busy election year, with 40 countries voting in 2024, which could lead to geopolitical turbulence. On the positive side, increased adoption of AI across sectors could create a benign disinflationary supply-side shock that could sustain and broaden equity market performance beyond technology stocks.

# Report by the manager (continued)

## General introduction (continued)

### Developments in emerging markets in 2023

Emerging markets had a positive year in 2023 with a return of 6.1% in euro terms, yet they have significantly lagged the 19.6% return for developed markets. The main reason for the weaker emerging markets performance was China, which was the worst performing emerging country. The market actually started the year on a positive note with China re-opening from the covid lock-downs, yet from February onwards the market was disappointed with lower growth than expected, a weak property market, ongoing geo-political risks and lack of big government stimulus. As a consequence, market sentiment was negative, and China has now become one of the cheaper emerging markets. A number of other emerging markets performed significantly better.

Latin America was actually the best region, with strong performance for Brazil and Mexico. Inflation has come down significantly in both countries, and Brazil has started to cut interest rates. Mexico also benefited from better than expected growth in the US and the near-shoring theme. Greece and Central Europe also performed strongly. One common element was good performance for financials, supported by higher euro interest rates. India maintained relatively high economic growth and earnings growth, which helped to sustain its high valuation multiples. Taiwan and Korea were also among the best performing emerging markets, in particular due to strong performance of the technology sector, supported by positive sentiment and growth potential for AI investments.

## Investment policy

### Investment objective

The Fund aims to achieve a substantially higher return than the MSCI Emerging Markets index on a three to five year horizon.

### Investment policy

The Robeco Institutioneel Emerging Markets Fonds takes at least 90% exposure to equities and comparable financial instruments (including share certificates, ADRs, GDRs and NVDRs) issued by companies in emerging countries (including Hong Kong), i.e., companies that are established in emerging countries (including Hong Kong) or deploy most of their economic activities there, or are included in the MSCI Emerging Markets Standards Index.

Robeco Institutioneel Emerging Markets Fonds is classified as Article 8 under the SFDR. More information is available in the precontractual SFDR disclosures of the Fund on its website. Attached to this annual report the Annex IV disclosure can be found with detailed information on the achievement of the sustainability goals over the reporting period.

### Implementation of the investment policy

The investment policy of Robeco's investment strategy in emerging markets has been focused since its inception in 1994 on combining top-down country allocation with bottom stock selection. Our country allocation is based on the analysis of macro-economic, valuation, earnings, technical and sentiment factors.

In terms of country allocation, the main overweight positions were South Korea, Indonesia, Mexico, Greece and Hungary. The main underweight countries were Saudi Arabia, Malaysia, India, Thailand and the Philippines.

In stock selection we have a value bias. We have a preference for selecting undervalued companies of which the earnings outlook is not yet appreciated by the market. From a sector perspective the main overweight positions are in Financials, IT hardware and Consumer Discretionary. We were underweight in expensive internet and EV companies, Consumer Staples and Healthcare.

### Currency policy

Robeco Institutioneel Emerging Markets Fonds invests in equities and comparable financial instruments issued in different currencies from emerging countries and developed countries (including the US dollar). The currency in which the financial instruments are issued can diverge from the currency in which the actual – underlying – risk is run. Country positioning therefore provides a better picture of the underlying currency risk than the currency in which the instrument is issued. Currency risk is limited by restricting the underweight or overweight for countries to a maximum of 10% versus the index weight. The Fund can make use of forward exchange contracts to limit currency risk. Further quantitative information on currency risk can be found at the information on currency risk provided on page 26.



# Report by the manager (continued)

## Investment result

### Net result per participating unit <sup>1</sup>

EUR x 1	2023	2022	2021	2020	2019
Direct investment income	3.88	4.82	4.45	3.01	3.74
Indirect investment income	11.85	-25.27	5.38	5.19	27.64
Management fee and other costs	-1.03	-1.05	-1.20	-1.01	-1.03
<b>Net result</b>	<b>14.70</b>	<b>-21.50</b>	<b>8.63</b>	<b>7.19</b>	<b>30.35</b>

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

Over the reporting period, Robeco Institutioneel Emerging Markets Fonds generated a return of 13,4 % (gross of fees in EUR), against a return of 6,1% for its reference index, the MSCI Emerging Markets Index (Net Return in EUR). The outperformance was driven by both country allocation and stock selection. In country allocation, the positive attribution came from the positioning in Greece, Mexico, Hungary and Brazil in particular. The underweight in India and Taiwan detracted from the relative performance. Stock selection had a significant positive contribution to the relative performance. Stock selection was particularly strong in Brazil, South Korea and Taiwan. Stock selection in South Africa, Poland and India was the main detractor from the relative performance.

## Return and risk

The investment result is important, but risk management of the portfolio is important as well. The portfolio's tracking error was 3.7%. The Robeco Institutioneel Emerging Markets Fonds is an actively managed fund. The portfolio is characterized by an active share (not overlapping the index) of around 70% in 2023. The portfolio's beta was on average close to 1.12. In general terms, in a bull market, a portfolio with a beta of above 1 will have a higher return than the market.

## 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 Fund's day-to-day operations. The manager (RIAM) ensures that risks are effectively controlled via the three lines model: RIAM management (first line), the Compliance and Risk Management departments (second line) and the Internal Audit department (third line).

The management of RIAM has primary responsibility for risk management as part of its day-to-day activities. The Compliance and Risk Management departments develop and maintain policies, 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 Robeco 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 testing.

## Compliance risk

Compliance & Integrity risks embody the risk of corporate and individual behaviour that leads to insufficient compliance with laws and regulations and internal policies to such an extent that in the end this may cause serious damage to confidence in Robeco and in the financial markets. Robeco's activities – collective and individual portfolio management – are subject to European and local 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 both Robeco and the investors in Robeco-managed funds that Robeco complies with all the applicable laws and regulations.



# Report by the manager (continued)

## Risk management (continued)

### Compliance risk (continued)

With regard to the funds and counterparties, external worldwide events have had effect on financial institutions, specifically in the field of Sanctions regulations. Robeco follows applicable sanctions of the Netherlands, UN, EU, UK and US, as amended and/or supplemented from time to time, and any mandatory (investment) restrictions deriving therefrom. In case of conflicting sanctions the applicable sanctions from the EU will prevail at all times. In 2022, Russia has committed a violation of international law by invading a sovereign state. While Robeco didn't own Russian sovereign bonds, Robeco has officially excluded these bonds for the funds and placed buying restrictions on Russian equities and corporate bonds.

The past few years the level of regulation has increased consistently while the regulatory environment is evolving as well by moving from a principle-based to a more rule- and evidence-based environment. Robeco actively follows these regulatory developments and is in continuous effort to incorporate all regulatory changes to ensure compliance with rules and regulations. Robeco performs Systematic Integrity Risk Assessments (SIRAs) to further identify and assess compliance and integrity risks and the control measures that mitigate these risks. If needed, follow-up actions will be discussed with the business to further mitigate the integrity risks.

Changes in the field of legislation, regulation and external events that could affect the funds managed by Robeco also took place in 2023. The EU regulatory framework on sustainable finance, consisting of multiple pieces of legislation, including the Sustainable Finance Disclosure Regulation (SFDR), Taxonomy Regulation and amendments to existing frameworks (including the UCITS Directive and AIFMD), introduced extended reporting and disclosures, aiming for increased comparability between sustainable funds and to avoid greenwashing. The framework also requires the integration of sustainability (risks) in the organization, governance, risk management and investment processes of Robeco. The requirements entered into force in 2021. In addition to the work that has been undertaken in 2022 to further implement the SFDR Regulatory Technical Standards, in 2023 Robeco has incorporated the prescribed SFDR periodic reporting templates in the annual reports of the funds. The first SFDR periodic reports were included in the 2022 annual reports. Attached to this annual report, the SFDR periodic report over 2023 can be found. In 2023, Robeco also introduced Principal Adverse Impact statements on an entity-level (such PAI statements contain sustainable investment metrics, aggregated for all Robeco-managed funds and discretionary managed accounts).

Robeco Institutioneel Emerging Markets Fonds is classified as Article 8 under the SFDR. More information is available in the precontractual SFDR disclosures of the Fund on its website. Attached to this annual report the Annex IV disclosure can be found with detailed information on the achievement of the sustainability goals over the reporting period.

Furthermore, Robeco implemented the new Key Information Document for its funds offered to retail clients in line with the Packaged Retail Investment & Insurance -based Products (PRIIPs) which entered into force as of 1 January 2023.

### Outsourcing risk

The risk of outsourcing the activities is that the third party cannot meet its obligations, despite the existing contracts, and that the Fund may incur a loss that cannot or cannot always be recovered from the third party. To mitigate this risk, Robeco has implemented a Third-Party Risk policy which provides a framework for managing a third-party's lifecycle. The main goal is to provide controlled and sound business management regarding third-parties.

### Fraud risk

Having a strong reputation for integrity is crucial for Robeco to safeguard market confidence and public trust. Fraud can undermine this confidence and trust. Therefore Robeco has implemented a central approach to mitigate fraud risk, including but not limited to actions to reduce fraud risk and assessments on the effectiveness of internal controls to reduce fraud risk. Two Anti-Fraud Officers (AFOs) are appointed, one from Operational Risk Management (ORM) focusing on External Fraud and one from Compliance, focusing on Internal Fraud. These AFOs are the first point of contact for any fraud risk indications and need to ensure that these are dealt with timely and effectively. The AFOs have the following tasks:

- Perform a periodical Fraud Risk Assessments and report the outcome towards the Entity Risk Management Committee (ERMC) and the Audit & Risk Committee (A&RC);
- Perform a gap analysis to identify missing controls in the Risk Control Framework (RCF);
- Aligning with IT Security on anti-fraud measures implemented and ways to further improve fraud detection; and
- Monitor the proper follow-up of internal and external fraud incidents.

The risk of fraud inherently exists within each department of RIAM. Mitigating measures have been implemented within RIAM, such as segregation of duties between for example portfolio management, trading and mid- and back office. Such measures limit the actual risk of internal fraud. Although there is always the (inherent) risk of internal fraud from overriding or bypassing the internal controls, Robeco considers this a limited risk due to amongst other the organizational setup with a proper segregation of assets; no (fund) assets (e.g. equities and bonds) can be stolen, as these are held by the custodians who only act upon instructions following the agreed upon processes and authorizations. To prevent the risk of fraudulent financial reporting, Robeco has a dedicated SOx control framework in place.

# Report by the manager (continued)

## Risk management (continued)

### **Developments Financial Risk Management**

Robeco has been continuously working to further enhance its risk management methodologies, infrastructure and processes. In 2023 development of Robeco's risk data infrastructure continued. Development of the data warehouse takes place in close cooperation with the vendor of our risk management platform. A more centralized storage of risk data allows for improved operational efficiency throughout the company. Over the course of 2023, the risk management framework has been further enhanced to support the investment in complex financial derivative instruments and new investment strategies.

A quantification of the risks can be found in the notes to the financial statements on pages 26 through 32.

# Report by the manager (continued)

## Movements in net assets

1. On balance the net change in outstanding participating units resulted in a decrease in the net assets of EUR 150.1 million.
2. Investment income minus expenses resulted in a increase of the net assets of EUR 15.4 million
3. The change in value of the investments (consisting of realized and unrealized gains and loss on investments) resulted in a increase in net assets of EUR 64.0 million
4. The dividend distribution over the outstanding participating units resulted in a decrease of the net assets of EUR 34.5 million.

## Survey of movements in net assets

	2023 EUR' 000	2022 EUR' 000
<b>Net assets at opening date</b>	<b>672,732</b>	<b>840,783</b>
Participating units issued	55,408	60,454
Participating units purchased	(205,569)	(67,307)
<b>Situation on closing date</b>	<b>522,571</b>	<b>833,930</b>
Direct investment income	20,950	28,923
Indirect investment income	64,019	(151,737)
Costs	(5,566)	(6,323)
<b>Net result</b>	<b>79,403</b>	<b>(129,137)</b>
Dividend payments	(34,474)	(32,061)
<b>Net assets at closing date</b>	<b>567,500</b>	<b>672,732</b>

# Report by the manager (continued)

## Remuneration policy

The Fund itself does not employ any personnel and is managed by Robeco Institutional Asset Management B.V. (hereafter '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.

This is a reflection of the Remuneration Policy of RIAM. The remuneration policy of RIAM applies to all employees of RIAM. The policy follows applicable laws, rules, regulations and regulatory guidance including, without limitation, chapter 1.7 of the Wft, article 5 of SFDR, the ESMA Remuneration Guidelines under UCITS, the ESMA Remuneration Guidelines under AIFMD and the ESMA Guidelines under MIFID.

### Responsibility for and application of the policy

The RIAM Remuneration Policy is determined and applied by and on behalf of RIAM with the approval, where applicable, of the Supervisory Board of RIAM on the advice of the Nomination & Remuneration Committee (a committee of the Supervisory Board of RIAM) and, where applicable, the shareholders (Robeco Holding B.V. and ORIX Corporation Europe N.V.).

### Introduction and scope

Employees and their knowledge and capabilities are the most important asset of Robeco Institutional Asset Management BV (hereafter 'RIAM'). In order to attract and retain staff that allows RIAM to provide value to RIAM's clients and satisfy the clients' needs, fixed and variable remuneration is vital. It is equally vital to reward talent and performance fairly and competitively. In line with RIAM's reputation as a leader in sustainability, RIAM compensates its employees and applies its policy in a non-discriminatory and gender-neutral manner.

### Key objectives of the Remuneration Policy are:

- to stimulate employees to act in our clients' best interests and to prevent potential conduct of business and conflict of interest risks, adversely affecting the interests of clients;
- to support effective risk management and avoid employees taking undesirable risks, taking into account the internal risk management framework;
- to ensure a healthy corporate culture, focused on achieving sustainable results in accordance with the long-term objectives of RIAM, its clients and other stakeholders;
- to ensure consistency between the remuneration policy and environmental, social and governance risks and sustainable investment objectives by including these risks in the key performance indicators (KPIs) used for the determination of variable compensation of individual staff members;
- to provide for a market competitive remuneration to retain and attract talent.

### The remuneration policy in a broader perspective

In general, RIAM aims to align its remuneration policy and practices with its risk profile, its function and the interests of all its stakeholders. RIAM's approach to remuneration is intended to attract, motivate and retain colleagues who have the necessary skills, capabilities, values and behaviors needed to deliver on its strategy. This policy and RIAM's remuneration practices aim to (i) reward success whilst avoiding to reward for failure and (ii) maintain a sustainable balance between short and long-term value creation and build on RIAM's long-term responsibility towards its employees, clients, shareholders and other stakeholders

#### *RIAM is an asset manager with Dutch roots and nearly a century of operations*

Established in Rotterdam in 1929, RIAM offers investment management and advisory services to institutional and private investors. In addition, RIAM manages and distributes a variety of investment funds in and outside of the Netherlands. As an asset manager, RIAM is also acutely aware of its role in the transition to a more sustainable future.

#### *RIAM's remuneration policy is shaped by regulation and finetuned by its stakeholders*

RIAM is active in a sector that is strictly regulated, impacting every aspect of its business model – including its remuneration policy and practices. A common denominator between the various sectoral remuneration regulations to which RIAM is subject, is that they all endeavor to align, at least in general terms, the interests of covered institutions with those of its stakeholders, for example through the use of deferral mechanisms, retention periods and restrictions on disproportionate ratios between fixed and variable remuneration.

Closely observing these requirements – in text and spirit – in constructing its remuneration approach and this remuneration policy, is a first step for RIAM to ensure alignment between its remuneration and the interests of its key stakeholders.

RIAM's remuneration policy seeks to strike a balance between its function as a trusted asset manager for institutional and retail clients on the one hand and its desire to offer RIAM's employees a well-balanced and competitive remuneration package on the other hand – recognizing the inherent risks to the former posed by the latter. RIAM believes that the balance between the interests of these two key stakeholders (clients and employees) are served by the use of specific performance criteria (KPIs), such as those emphasizing customer centricity.

# Report by the manager (continued)

## Remuneration policy (continued)

### The remuneration policy in a broader perspective (continued)

*RIAM's remuneration policy is shaped by regulation and finetuned by its stakeholders (continued)*

The annual variable remuneration within RIAM in principle does not exceed 200% of fixed remuneration. A limit RIAM considers appropriate in light of the market and global arena in which it operates.

Finally, in recognition of RIAM's responsibilities to Dutch – and global – society in combatting climate change, RIAM has explicitly integrated sustainability risk factors in the performance indicators of relevant employees, so that their remuneration can be aligned with sustainability risk management.

*RIAM's approach to remuneration is subject to constant monitoring and change*

RIAM constantly seeks and receives input from clients, employees (both through the works council and in other settings), its shareholder, regulators and other stakeholder groups about its remuneration approach, enhancing the link between remuneration outcomes and stakeholder interests.

RIAM has set-up robust governance and monitoring arrangements to ensure its remuneration policy and approach remain aligned not just with applicable law, but also with the interests of its stakeholders.

### Remuneration elements

When determining the total remuneration of employees, RIAM periodically performs a market benchmark review. All remuneration awarded to RIAM employees can be divided into fixed remuneration (payments or benefits without consideration of performance criteria) and variable remuneration (additional payments or benefits, depending on performance).

#### *Fixed remuneration - Monthly fixed pay*

Each individual employee's monthly fixed pay is determined based on their function and/or responsibility and experience according to the RIAM salary ranges and with reference to the benchmarks of the investment management industry in the relevant region. The fixed remuneration is sufficiently high to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, job experience, the relevant business sector and region.

#### *Fixed remuneration - Temporary allowances*

Under certain circumstances, temporary allowances may be awarded. In general, such allowances are solely function and/or responsibility based and are not related to the performance of the individual employee or RIAM as a whole. Allowances are granted pursuant to strict guidelines and principles.

#### *Variable remuneration*

The variable remuneration pool is established based on the financial results and includes a risk assessment on the total actual variable remuneration pool. In such assessment both financial and non-financial risks are taken into account, consistent with the risk profile of RIAM, the applicable businesses and the underlying client portfolios. When assessing risks, both current and future risks that are taken by the staff member, the business unit and Robeco as a whole are taken into account. This is to ensure any variable remuneration grants are warranted in light of the financial strength of the company and effective risk management.

To the extent that the variable remuneration pool allows, each employee's variable remuneration will be determined at the reasonable discretion of RIAM, taking into account the employee's behavior and individual and team and/or the department's performance, based on pre-determined financial and non-financial performance factors (KPIs). Poor performance or unethical or non-compliant behavior will reduce individual awards or can even result in no variable remuneration being awarded at all. Furthermore, the variable remuneration of all RIAM staff is appropriately balanced with the fixed remuneration.

#### *Performance indicators (KPIs)*

The KPIs for investment professionals are mainly based on the risk-adjusted excess returns over one, three and five years. For sales professionals, the KPIs are mostly related to the net run rate revenue, and client relationship management. The KPIs should not encourage excessive risk-taking. The KPIs for support professionals are mainly non-financial and role-specific. KPIs for Control Functions are predominantly (70% or more) function and/or responsibility specific and non-financial in nature. KPIs may not be based on the financial results of the part of the business they oversee in their monitoring role. At least 50% of all employees' KPIs are non-financial.

All employees have a mandatory Risk & Compliance KPI: Control, compliance and risk related performance is defined as a 'hygiene' factor. The performance will be assessed and used to adjust the overall performance downward if performance did not (fully) meet the required level. Unethical or non-compliant behaviour overrides any good financial performance generated by a staff member and will diminish the staff member's variable remuneration.

# Report by the manager (continued)

## Remuneration policy (continued)

### Remuneration elements (continued)

#### *Performance indicators (KPIs) (continued)*

All employees have a sustainability KPI: In line with the Sustainable Finance regulation (SFDR), sustainable risks factors have been integrated in the annual goal setting of relevant employees, so that their remuneration is aligned with sustainability risk management. Robeco's SI Strategy the Sustainable Impact and Strategy Committee (SISC) develops an overview of relevant KPIs for the relevant employees groups e.g. portfolio managers have decarbonization and ESG integration related KPIs and risk professionals have enhancement of portfolio sustainability risk and monitoring related KPIs. Staff member's variable remuneration outcome is based on the performance of the KPIs, including sustainability KPI(s), based on managers discretion.

#### *Payment and deferral of variable remuneration and conversion into instruments*

Unless stated otherwise in this paragraph, variable remuneration up to EUR 50,000 is paid in cash immediately after being awarded. If an employee's variable remuneration exceeds EUR 50,000, 60% is paid in cash immediately and the remaining 40% is deferred and converted into instruments, as shown in the table below. These instruments are 'Robeco Cash Appreciation Rights' (R-CARs), the value of which reflects the financial results over a rolling eight-quarter period of all direct or indirect subsidiaries of RIAM and Robeco Holding B.V.

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>
Cash payment	60%			
R-CARs redemption		13.34%	13.33%	13.33%

#### *Severance payments*

No severance is paid in case of voluntary resignation of the employee or in case of dismissal of the employee for seriously culpable behavior. Severance payments to daily policy makers as determined in the Wft are capped at 100% of fixed remuneration and no severance shall be paid to daily policy makers in case of dismissal due to a failure of the institution, e.g., in case of a request for state aid or if substantial sanctions are imposed by the regulator.

### Additional rules for Identified Staff

The rules below apply to Identified Staff. These rules apply in addition to the existing rules as set out above and will prevail in the event of inconsistencies. Identified Staff is defined as employees who can have a material impact on the risk profile of RIAM and/or the funds it manages. Identified Staff includes:

- members of the governing body, senior management, (senior) portfolio management staff and the heads control functions (Compliance, Risk Management, Internal Audit);
- other risk-takers as defined in the AIFMD and UCITS V, whose total remuneration places them in the same remuneration bracket as the group described above.

#### *Control Function Staff*

The following rules apply to the fixed and variable remuneration of Control Function Staff:

- The fixed remuneration is sufficient to guarantee that RIAM can attract qualified and experienced staff.
- The business objectives of Control Function Staff are predominantly role-specific and non-financial.
- The financial business objectives are not based on the financial results of the part of the business that the employee covers in his or her own monitoring role.
- The appraisal and the related award of remuneration are determined independently of the business they oversee.
- The above rules apply in addition to the rules which apply to the Identified Staff if an employee is considered to be part of both the Control Function Staff and Identified Staff.
- The remuneration of the Head of Compliance, Head of Internal Audit, Head of Risk Management and Head of Investment Restrictions falls under the direct supervision of the Nomination & Remuneration Committee of the Supervisory Board of RIAM.

#### *Identified Staff*

The following rules apply to the fixed and variable remuneration of Identified Staff:

- The fixed remuneration is sufficient to guarantee that RIAM can attract qualified and experienced staff.
- Part of the variable remuneration is paid in cash and part of it is deferred and converted into instruments, based on the payment/redemption table below. The threshold of EUR 50,000 does not apply. In the occasional event that the amount of variable remuneration is more than twice the amount of fixed remuneration, the percentages between brackets in the table below will apply



# Report by the manager (continued)

## Remuneration policy (continued)

### Additional rules for Identified Staff (continued)

#### Identified Staff (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash payment	30% (20%)	6.67% (10%)	6.66% (10%)	6.66% (10%)	
R-CARs redemption		30% (20%)	6.67% (10%)	6.66% (10%)	6.66% (10%)

### Risk control measures

RIAM has identified the following risks that must be taken into account in applying its remuneration policy:

- misconduct or a serious error of judgement on the part of employees (such as taking non-permitted risks, violating compliance guidelines or exhibiting behavior that conflicts with the core values) in order to meet business objectives or other objectives
- a considerable deterioration in RIAM's financial result becomes apparent
- a serious violation of the risk management system is committed
- evidence that fraudulent acts have been committed by employees
- behavior that results in considerable losses.

The following risk control measures apply, all of which are monitored by the Supervisory Board of RIAM.

#### *Ex-post risk assessment claw back – for all employees*

RIAM may reclaim all or part of the variable remuneration paid if (i) this payment was made on the basis of incorrect information, (ii) in the event that fraud has been committed by the employee, (iii) in the event of serious improper behavior on the part of the employee or serious negligence in the performance of his or her tasks, or (iv) in the event of behavior that has resulted in considerable losses for the organization.

#### *Ex-post risk assessment malus – for Identified Staff*

Before paying any part of the deferred remuneration, RIAM may decide, as a form of ex-post risk adjustment, to apply a malus on the following grounds:

- evidence of fundamental misconduct, error and integrity issues by the staff member (e.g. breach of code of conduct, if any, and other internal rules, especially concerning risks);
- a staff member having caused a considerable deterioration in the financial performance of RIAM or any fund managed by it, especially to the extent this performance was relevant to the award of variable remuneration;
- a significant deficiency in the risk management of RIAM or any fund managed by it; or
- significant changes in the overall financial situation of RIAM.

#### *Ex-ante risk assessment – for Identified Staff*

Before granting an in-year variable remuneration to Identified Staff, RIAM may decide, as a form of ex-ante risk adjustment, to apply a reduction or even reduce the variable remuneration proposal to zero in case of compliance and risk related matters, collectively or individually.

### *Approvals*

In accordance with RIAM's governance, the remuneration of the Management Board is determined by the shareholder (ORIX Corporation Europe N.V.), based on a proposal from the Supervisory Board of RIAM who has been advised by the Nomination & Remuneration Committee of the Supervisory Board of RIAM. The remuneration of employees earning in total more than EUR 500,000 per annum or are granted variable remuneration in excess of 200% of fixed remuneration requires the approval of the Supervisory Board (advised by the Nomination & Remuneration Committee of the Supervisory Board of RIAM). The remuneration of employees earning in total more than EUR 500,000 per annum also requires the approval of the shareholder.

### *Annual review*

Our remuneration processes are audited and reviewed each year internally. Any relevant changes made by regulators are incorporated in our remuneration policies and guidelines. Every year, an independent external party reviews our remuneration policy to ensure it is fully compliant with all relevant regulations.

# Report by the manager (continued)

## Remuneration policy (continued)

### Remuneration in 2023

Of the total amounts granted in remuneration<sup>1</sup> by RIAM in 2023 to the group's Board, Identified Staff and Other Employees, the following amounts are to be assigned to the Fund:

#### Remuneration in EUR x 1

Staff category	Fixed pay for 2023	Variable pay for 2023
Board (3 members)	6,853	8,593
Identified Staff (105) (ex Board)	77,203	59,516
Other employees (722 employees)	246,782	69,905

The total of the fixed and variable remuneration charged to the Fund is EUR 468,852. 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 3 employees a total remuneration above EUR 1 million.

# Report by the manager (continued)

## Sustainable investing

Safeguarding economic, environmental and social assets is a prerequisite for a healthy economy and the generation of attractive returns in the future. Robeco's mission therefore, is to enable our clients to achieve their financial and sustainability goals by providing superior investment returns and solutions. Robeco is an active owner, integrating material ESG issues systematically into investment processes, having a net zero roadmap in place and a broad range of sustainable solutions. Responsibility for implementing sustainable investing lies with the CIO, who also has a seat on Robeco's Executive Committee.

### Focus on stewardship

Fulfilling our stewardship responsibilities is an integral part of Robeco's approach to Sustainable Investing. A core aspect of Robeco's mission is fulfilling our fiduciary duties towards our clients and beneficiaries. Robeco manages investments for a variety of clients with different investment needs. Robeco strives in everything it does to serve its clients' interests to the best of its ability. Robeco publishes its approach to stewardship on its website describing how it deals with potential conflicts of interest, monitors the companies in which it invests, conducts activities in the field of engagement and voting, and reports on our stewardship activities. To mark Robeco's strong commitment to stewardship, Robeco is signatory to many different stewardship codes across the globe.

### Lively 2023 Proxy Season

The 2023 season had a set of unique trends that made our analysis more complex and required a more balanced assessment of several governance and sustainability issues.

One of these trends is the so-called "Anti-ESG movement", which became more prominent in 2023. Several organizations have started to file shareholder resolutions that appear to ask for regular governance best practices, such as an independent chair, but with an underlying narrative against the ESG efforts of companies, including diversity and inclusion policies, or social benefit policies. These resolutions have added to a more politicized and polarized AGM season than in previous years.

This was the first year since the Covid pandemic that physical attendance was made possible for nearly all AGMs. Robeco noticed that the AGM attendance itself has shifted in tone and nature. In some cases, these meetings become a platform for protest, either on climate change, social issues, or other frustrations with companies that often face conflicting expectations from stakeholders. The AGM as a platform will need some work in the future, making sure that it can remain an effective platform for exchange of thought and information, potentially for a wider set of stakeholders. However, the reduction of participation of institutional investors during AGMs will not benefit the credibility of the meeting.

The 2023 season also saw a change in tone for climate change amid an energy crisis that has led many companies to delay plans to cut emissions to achieve net zero amid a greater reliance on fossil fuels. The war in Ukraine led to a dash to gas in Europe and even a greater use of coal-fired power. Several companies loosened their ambitions, leading to varying reactions from shareholders; some were vocally disappointed, others were lenient towards management and others were in support of the move away from transition ambitions.

There was a greater interest in biodiversity as a sustainability issue as preserving nature moves ever higher up corporate and investor agendas. Indeed, in 2023, Robeco strengthened its voting policy by introducing a voting approach focusing on biodiversity, one of our strategic sustainability topics, next to climate change and human rights. Robeco expects companies to act on mitigating biodiversity loss, and companies that have high exposure to commodities with deforestation risk to have adequate policies and processes in place to address those risks.

Finally, in 2023, executive pay was a large issue with a greater focus this year on securing more sustainability-related packages, away from the usual focus on the amount executives are paid. Robeco saw an increasing number of companies continuing to introduce ESG components to their variable pay. This is a good trend in our view, and it is encouraging that companies are often tying compensation to the sustainability ambitions of their overall strategy. At the same time, disclosures and measurements on many occasions should be further improved.

### ESG integration by Robeco

Sustainability brings about change in markets, countries, and companies in the long term. Since changes affect future performance, Robeco believes the analysis of ESG factors can add value to its investment process. Robeco therefore looks at these factors in the same way as it considers a company's financial position or market momentum. To analyze ESG factors Robeco has research available from leading sustainability experts, including Robeco's own proprietary research from the Sustainable Investing research team. This dedicated team works closely together with Robeco's investment teams to provide in-depth sustainability information to the investment process.

Investment analysis focuses on the most material ESG factors and how these factors may drive the financial performance of a company. Robeco can then focus on the most relevant information in performing investment analysis to reach better informed investment decisions.

# Report by the manager (continued)

## Sustainable investing (continued)

### ESG integration by Robeco (continued)

In 2023, Robeco made the following improvements:

Given the importance of the topic of climate change in emerging markets, Robeco's Emerging Markets Equity team has put more emphasis on climate change in the investment case, linking the impact of climate risks and opportunities to its valuation.

An increasing number of Robeco's investment teams have incorporated the Robeco Climate Scores into their investment processes to improve their climate analysis. Now with most teams using the same methodology, there is greater quality and consistency of analysis.

### Contributing to the Sustainable Development Goals

Robeco is a signatory in the Netherlands to the Sustainable Development Goals Investing Agenda. To help clients contribute to the objectives, Robeco developed a framework to analyze the SDG<sup>1</sup> contribution of companies and SDG investment solutions. Currently, multiple solutions are available in equity and fixed income, and the amount of assets managed in line with Robeco's SDG methodology is increasing rapidly.

Furthermore, Robeco contributes to the SDGs by integrating ESG factors in its decision-making process for investments and encourages companies to act in support of these goals by means of a constructive dialogue. The SDGs are continually considered throughout Robeco's engagement and voting activities.

### Combating climate change

Robeco's approach to climate change includes integrating climate issues into the investment process and engaging with investee companies. Additionally, climate risks to our funds are assessed and monitored by the Financial Risk Management department. In 2020, Robeco announced the ambition to achieve net-zero greenhouse gas (GHG) emissions by 2050 across all its assets under management. In 2021, this was followed by the publication of Robeco's Net Zero Roadmap published on the Robeco website.

As part of the roadmap, Robeco aims to decarbonize its investments 30% by 2025 and 50% by 2030. Robeco follows the Paris Agreement which sets a target of 7% decarbonization of assets per annum on average. However, Robeco's ability to decarbonize in the long term will be dependent on the global economy's decarbonization. Living up to the same standards Robeco sets for others, it aims to reach net zero by 2050 to its own operations with targets to reduce its operational emissions by 35% by 2025 and by 50% by 2030. This encompasses all emissions associated with business travel, electricity, heating, and other business activities. In April 2023, Robeco reported progress toward these goals in the 2022 Sustainability Report published on the Robeco website.

### Exclusion

Robeco's Exclusion Policy sets minimum standards for company activities and products that are detrimental to society to avoid investments clients would deem unsuitable. Robeco excludes companies involved in the production or trade of controversial weapons such as cluster munition and anti-personnel mines, tobacco production, the most pollutive fossil fuel activities, non-RSPO certified palm oil producers and companies that severely and structurally violate either the United Nations Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises. For some exclusion categories an enhanced engagement with non-compliant companies is triggered, using exclusion as an escalation when engagement is unsuccessful. Robeco publishes its Exclusion Policy and the list of excluded companies on its website.

### Active ownership

Robeco's active ownership activities encourage investee companies or sovereigns to improve their management of ESG risks and adverse impacts, as well as seize business and economic opportunities associated with sustainability challenges. Robeco aims to improve a company's behavior on ESG issues to improve long-term performance of the company and therefore the quality of investments for our clients. Robeco's Active Ownership program includes both voting and engagement.

Robeco exercises voting rights for the shares in our investment funds all over the world. In 2023, Robeco voted at 121 shareholder meetings on behalf of Robeco Institutioneel Emerging Market Fonds. At 71 (58.68%) of the 121 meetings, Robeco cast at least one vote against management's recommendation. When voting, Robeco will also enter into active dialogue with the companies in which it invests on questions concerning the environment, society and corporate governance.

<sup>1</sup> Sustainable Development Goals as defined by the United Nations

# Report by the manager (continued)

## Sustainable investing (continued)

### Active ownership (continued)

Robeco has engagement specialists in Rotterdam, London, Singapore and Hong Kong.

Robeco carries out three types of corporate engagement with companies in which it invests; Value Engagement, Enhanced Engagement and Portfolio Engagement. The types of engagement have different goals and processes that allow Robeco to engage with companies with varying sustainability issues and value creating potential.

Value engagement is a proactive approach focusing on long-term issues that are financially material and/or causing adverse sustainability impacts. The primary objective is to create value for investors and to mitigate adverse impacts by improving sustainability conduct and corporate governance of companies.

Enhanced engagement focuses on companies that severely and structurally breach minimum behavioral norms in areas such as human rights, labor, the environment, and anti-corruption. The primary objective of enhanced engagement is to address reported shortfalls against internationally accepted codes of conduct for corporate governance, social responsibility, the environment, and transparency.

Portfolio engagement is associated with the objectives of specific Robeco investment strategies, often with clear impact objectives including promotion of positive societal contribution (such as the Sustainable Development Goals) and mitigation of negative externalities related to the value creation process.

In 2023, Robeco engaged with 319 companies on different issues ranging from corporate governance to health care to climate change. For Robeco Institutioneel Emerging Market Fonds, Robeco conducted 21 engagement cases, involving 17 value engagement cases, 1 enhanced engagement case and 3 portfolio engagement cases.

In 2023, Robeco started engagement on three new themes: Forced Labor and Modern Slavery, Just Transition in Emerging Markets, and Tax Transparency. In 2024, Robeco will launch two new engagement themes focused on Ocean Biodiversity and Hazardous Chemicals. These engagements have a three-year duration and are part of a broader engagement strategy with additional thematic engagement programs focusing on our core SI priorities – Climate, Biodiversity, SDGs, Human Rights and Governance.

More information on our processes and current engagement themes can be found in Robeco's Stewardship Approach and Guidelines published on the Robeco website.

### Forced Labor and Modern Slavery

Modern slavery refers to situations where people are either forced to work against their will or forced into a marriage. Over 50 million people around the world are trapped in modern slavery, according to new global estimates from the ILO and IOM, marking a significant rise over the past five years. Around 28 million people are victims of forced labor, and half of those are in Asia-Pacific. Our engagement focuses on companies linked to the Asia-Pacific region operating in sectors highly exposed to forced labor risks. The engagement program focuses on 10 companies from 5 sectors – food, retailing, technology, mining, and automotive.

### Just Transition in Emerging Markets

The 'just transition' is about greening the economy in a way that is as fair and inclusive as possible to everyone impacted. Emerging markets are where the battle against climate change will be won or lost, as issues of transition are most acute in markets like Africa and Asia. Our engagement program focuses on the energy (oil & gas and utilities) and mining sectors due to the strong urgency to decarbonize and their socio-economic relevance for emerging markets. Within these sectors, Robeco is engaging with 6 companies.

### Tackling Tax Transparency

Taxation is increasingly a topic for debate for regulators and as a result seen as a key ESG topic. Robeco's engagement theme focuses on improving the transparency of companies over their tax status, and what they pay to the governments of the countries in which they operate. Robeco is engaging 7 companies in this theme, initially selected via a universe screening of effective tax rates, and news flow on taxation. Then, further investigation was conducted into the individual companies' business models and value chains to see which companies would be most relevant for engagement.

# Report by the manager (continued)

## Sustainable investing (continued)

### **New regulation; the EU plan for financing sustainable development**

The EU's Sustainable Finance Action Plan was one of the most impactful pieces of regulation to hit the investment management industry since MiFID II. A core tenet of the plan is the Sustainable Finance Disclosure Regulation (SFDR), which classifies investment funds according to their sustainability credentials for the first time. On March 10 2021 all Robeco funds were classified to be either article 6 (do not promote ESG characteristics), article 8 (Environment and Social promoting strategies) or article 9 (strategies with sustainable investment as its objective). Fund documentation, like the prospectus and the factsheets, have also been adjusted to contain more specific information on how ESG is integrated as the disclosure regulation requires. Lastly, a sustainable risk policy, good governance policy and principal adverse impact policy were published on the website, along with a range of other documentation. In 2023, Robeco enhanced many of the disclosures published on its website, to conform with the requirements of Level 2 SFDR.

Robeco Institutioneel Emerging Markets Fonds is classified as Article 8 under the SFDR. More information is available in the precontractual SFDR disclosures of the Fund on its website. Attached to this annual report the Annex IV disclosure can be found with detailed information on the achievement of the sustainability goals over the reporting period.

Rotterdam, 25 April 2024  
The Manager



# Annual financial statements

## Balance Sheet

		31/12/2023	31/12/2022
Before profit appropriation	Notes	EUR' 000	EUR' 000
<b>ASSETS</b>			
<b>Investments</b>			
Equities	1	557,639	657,759
Derivatives	2	188	–
<b>Total investments</b>		<b>557,827</b>	<b>657,759</b>
<b>Accounts receivable</b>			
Dividends receivable	3	1,630	2,431
Other receivables, prepayments and accrued income	4	86	17
<b>Total accounts receivable</b>		<b>1,716</b>	<b>2,448</b>
<b>Other assets</b>			
Cash and cash equivalents	5	9,255	14,093
<b>LIABILITIES</b>			
<b>Investments</b>			
Derivatives	2	–	150
<b>Accounts payable</b>			
Payable to credit institutions	6	120	–
Payable to affiliated parties	7	1,091	1,356
Other liabilities, accruals and deferred income	8	87	62
<b>Total accounts payable</b>		<b>1,298</b>	<b>1,418</b>
<b>Accounts receivable and other assets less accounts payable</b>		<b>9,673</b>	<b>15,123</b>
<b>Assets less liabilities</b>		<b>567,500</b>	<b>672,732</b>
<b>Composition of Fund assets</b>			
	9, 10		
Participants capital	9	33,693	183,854
General reserve	9	454,404	618,015
Undistributed earnings	9	79,403	(129,137)
<b>Fund assets</b>		<b>567,500</b>	<b>672,732</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

		2023	2022
	Notes	EUR' 000	EUR' 000
<b>Direct investment result</b>			
Investment income	12	20,950	28,923
<b>Indirect investment result</b>			
Unrealized gains	1, 2	87,419	42,359
Unrealized losses	1, 2	(58,088)	(218,005)
Realized gains	1, 2	65,537	46,963
Realized losses	1, 2	(30,849)	(23,054)
<b>Total operating income</b>		<b>84,969</b>	<b>(122,814)</b>
<b>Costs</b>	16, 17		
Management fee	13	5,227	6,052
Other costs	15	339	271
<b>Total operating expenses</b>		<b>5,566</b>	<b>6,323</b>
<b>Net result</b>		<b>79,403</b>	<b>(129,137)</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	2023 EUR' 000	2022 EUR' 000
<b>Cash flow from investment activities</b>			
Net result		79,403	(129,137)
Unrealized changes in value	1, 2	(29,331)	175,646
Realized changes in value	1, 2	(34,688)	(23,909)
Purchase of investments	1, 2	(67,909)	(117,273)
Sale of investments	1, 2	231,722	138,096
Increase (-)/decrease (+) accounts receivable	3, 4	732	(20)
Increase (+)/decrease (-) accounts payable	7, 8	(240)	(655)
		<b>179,689</b>	<b>42,748</b>
<b>Cash flow from financing activities</b>			
Received for units subscribed		55,408	60,454
Paid for repurchase of own units		(205,569)	(67,307)
Dividend paid		(34,474)	(32,061)
		<b>(184,635)</b>	<b>(38,914)</b>
<b>Net cash flow</b>		<b>(4,946)</b>	<b>3,834</b>
Currency and cash revaluation		(12)	145
<b>Increase (+)/decrease (-) cash</b>		<b>(4,958)</b>	<b>3,979</b>
Cash at opening date	5	14,093	10,114
<b>Total cash at opening date</b>		<b>14,093</b>	<b>10,114</b>
Cash at closing date	5	9,255	14,093
Accounts payable to credit institutions at closing date	6	(120)	–
<b>Total cash at closing date</b>		<b>9,135</b>	<b>14,093</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. The Fund's financial year is the same as the calendar year.

## Accounting principles

### General

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

### 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 forward exchange contracts, internal valuation models are used and the value is based on quoted currency rates and reference interest rates at closing date. Transaction costs incurred in the purchase and sale of investments are included in the purchase or sale price as appropriate. Transaction costs incurred in the purchase of investments are therefore recognized in the first period of valuation as part of the value changes in the profit and loss account. Transaction costs incurred in the sale of investments are part of the realized results in the profit and loss account. Changes to the valuation model for forward currency contracts may lead to a different valuation. Derivative instruments with a negative fair value are recognized under the derivatives item under investments on the liability side of the balance sheet.

### Recognition and derecognition of items in the balance sheet

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

### Presentation of derivatives

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

### Netting

Financial assets and liabilities with the same party are offset, and the net amount is reported in the statement of financial position, when the Fund has a current, legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to realise the asset and settle the liability at the same time.

### Use of estimates

In preparing these financial statements, the manager has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### Cash and cash equivalents

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

Cash expressed in foreign currencies is converted into the functional currency as at the balance sheet date at the exchange rate applicable on that day. Please refer to the currency table on page 40.

### 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 euro at the exchange rates valid at the time. Assets and liabilities expressed in other currencies are converted into euro 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 euro 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.

### Stock swaps

Synthetic stock swaps are tailor-made products that offer investors the opportunity of realizing economic returns like those obtained with equity investments without actually investing in the underlying value. There are different ways of offering over-the-counter (OTC) equity exposure. Examples are warrants, notes, combinations of options and stock swaps. A stock swap is a tailor-made contract concluded between the investor and the swap seller that gives economic exposure to an underlying stock or associated security, stock basket or index. With a swap contract, two parties agree to exchange the profit margin or the total returns on a specific stock. In a typical long-sides swap transaction for instance, the investor receives all the positive performance of the reference stock and pays for any negative performance plus interest based on the LIBOR rate.

## Principles for determining the result

### General

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

### Recognition of income

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

### Recognition of expenses

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

### Investment income

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

### Payment for deposits and withdrawals

The manager can charge a fee on entry or extension and on – partial – termination to cover the associated transaction costs to be deducted from the purchase resp. sales value. These fees, expressed as a percentage of the purchase resp. sales value, accrue to the Fund and are processed in the profit and loss account. The fee thus determined can be requested from the manager.

# Notes (continued)

## Principles for determining the result (continued)

### 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 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.

## 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. Participants 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 8.

#### Currency risk

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



# Notes (continued)

## Risks relating to financial instruments (continued)

### Market risk (continued)

#### Currency risk (continued)

As at the balance sheet date, there were no positions in currency forwards 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 7.

Currency exposure	31/12/2023 Gross position EUR' 000	31/12/2023 Net position EUR' 000	31/12/2023 % of net assets	31/12/2022 % of net assets
AED	10,563	10,563	1.86	1.47
BRL	31,408	31,408	5.53	4.28
CLP	2,917	2,917	0.51	0.61
CNY	31,661	31,661	5.58	9.19
EUR	13,957	13,957	2.46	2.05
GBP	9	9	—	—
HKD	93,024	93,024	16.39	21.12
HUF	9,447	9,447	1.67	1.45
IDR	21,888	21,888	3.86	4.43
INR	50,512	50,512	8.90	7.79
KRW	88,135	88,135	15.53	15.32
MXN	11,345	11,345	2.00	2.02
PLN	3,693	3,693	0.65	0.81
SGD	8	8	—	—
THB	3,334	3,334	0.59	0.55
TRY	3,225	3,225	0.57	—
TWD	85,298	85,298	15.03	12.72
USD	81,974	81,974	14.45	11.90
VND	3,802	3,802	0.67	0.67
ZAR	21,300	21,300	3.75	3.62
<b>Total</b>	<b>567,500</b>	<b>567,500</b>	<b>100.00</b>	<b>100.00</b>

### Concentration risk

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

The portfolio includes positions in stock market index futures at balance sheet date.

# Notes (continued)

## Risks relating to financial instruments (continued)

### Market risk (continued)

#### Concentration risk (continued)

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

			31/12/2023	31/12/2023	31/12/2022
	Exposure to stock index		Total	% of	% of
	Equities	futures	exposure	net assets	net assets
	EUR' 000	EUR' 000	EUR' 000		
Bermuda	6,252	—	6,252	1.10	1.45
Brazil	42,040	—	42,040	7.41	5.36
Cayman Islands	84,425	—	84,425	14.88	16.49
Chile	2,917	—	2,917	0.51	0.61
China	52,079	—	52,079	9.18	13.68
Greece	15,124	—	15,124	2.66	2.25
Hong Kong	2,982	—	2,982	0.53	0.69
Hungary	9,447	—	9,447	1.66	1.45
India	75,788	—	75,788	13.35	12.54
Indonesia	21,888	—	21,888	3.86	4.43
Luxembourg	3,306	—	3,306	0.58	0.50
Mexico	22,862	—	22,862	4.03	3.45
Poland	3,672	—	3,672	0.65	0.80
South Africa	21,253	—	21,253	3.75	3.62
South Korea	87,762	—	87,762	15.46	15.12
Taiwan	85,088	—	85,088	14.99	12.67
Thailand	3,334	—	3,334	0.59	0.55
Turkey	3,225	—	3,225	0.57	—
United Arab Emirates	10,563	—	10,563	1.86	1.47
United States of America	—	188 <sup>1</sup>	188	0.03	(0.02)
Vietnam	3,632	—	3,632	0.64	0.64
<b>Total</b>	<b>557,639</b>	<b>188</b>	<b>557,827</b>	<b>98.29</b>	<b>97.75</b>

<sup>1</sup> Index futures that cover multiple countries are listed under the country where the futures are traded.

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Market risk (continued)

#### Concentration risk (continued)

The sector concentrations are shown below.

#### Concentration risk by sector

	31/12/2023 % of net assets	31/12/2022 % of net assets
Communication Services	5.56	4.36
Consumer Discretionary	18.50	19.67
Consumer Staples	2.61	3.35
Energy	2.45	1.71
Financials	24.41	25.85
Health Care	0.92	1.77
Industrials	5.94	5.09
Information Technology	24.86	21.13
Materials	4.63	6.39
Real Estate	3.87	4.08
Utilities	4.51	4.37
Other assets and liabilities	1.74	2.23
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

### 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 leverage in the Fund, measured using the gross method (where 0% exposure indicates no leverage) over the year, as well as on the balance sheet date, is shown in the table below. The gross method means that the absolute underlying value of the long positions and the short positions in derivatives are added up and represented as a percentage of the assets.

	Lowest exposure during the reporting year	Highest exposure during the reporting year	Average exposure during the reporting year	Exposure at the reporting year end
Robeco Institutioneel Emerging Markets Fonds	0.2%	2.7%	1.1%	0.7%

### Credit risk

Credit risk occurs when a counterparty of the Fund fails to fulfil its financial obligations arising from financial instruments in the Fund. Credit 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 credit risk. The figure that best represents the maximum credit risk is given in the table below.

	31/12/2023		31/12/2022	
	EUR' 000	% of net assets	EUR' 000	% of net assets
Unrealized gain on derivatives	188	0.03	—	—
Accounts receivable	1,716	0.30	2,448	0.36
Cash and cash equivalents	9,255	1.63	14,093	2.09
<b>Total</b>	<b>11,159</b>	<b>1.96</b>	<b>16,541</b>	<b>2.45</b>

No account is taken of collateral received in the calculation of the total credit risk. Credit risk is contained by applying limits on the exposure per counterparty as a percentage of the Fund assets. As at the balance sheet date there were no counterparties with an exposure of more than 5% of the Fund's total assets. All counterparties are pre-approved by Robeco. Procedures have been established relating to the selection of counterparties, specified on the basis of external credit ratings and credit spreads.

# Notes (continued)

## Risks relating to financial instruments (continued)

### Risk of lending financial instruments

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

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

The Fund accepts collateral by selected issuers in the form of:

- government bonds of OECD member states;
- local government bonds of bodies with tax raising authority of OECD member states;
- corporate bonds that are Fed or ECB eligible collateral;
- bonds of supranational institution and undertakings with EU, regional or world-wide scope;
- stocks listed on the main indexes of stock markets in OECD countries;
- stocks listed on the main indexes of stock markets in certain non-OECD countries as approved by the prospectus;
- Cash.

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	31/12/2023			31/12/2022		
	Amount in EUR' 000	% of portfolio	% of net assets	Amount in EUR' 000	% of portfolio	% of net assets
Shares lent out	1,006	0.18	0.18	1,734	0.26	0.26
<b>Total</b>	<b>1,006</b>	<b>0.18</b>	<b>0.18</b>	<b>1,734</b>	<b>0.26</b>	<b>0.26</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. Securities may be reclaimed by the Fund if required.

#### Counterparties

	Domicile of counterparty	Manner of settlement and clearing	31/12/2023		31/12/2022	
			Positions lent out EUR' 000	Collateral received EUR' 000	Positions lent out EUR' 000	Collateral received EUR' 000
BNP Paribas	France	Tripartite <sup>1</sup>	720	792	170	251
Goldman Sachs	United States	Tripartite <sup>1</sup>	–	–	1,564	1,643
Société Générale	France	Tripartite <sup>1</sup>	286	302	–	–
<b>Total</b>			<b>1,006</b>	<b>1,094</b>	<b>1,734</b>	<b>1,894</b>

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Risk of lending financial instruments (continued)

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.

#### Collateral by type

			31/12/2023	31/12/2022
	Currency	Rating of government bonds	Market value in EUR' 000	Market value in EUR' 000
Cash	USD	–	–	308
Government bonds	EUR	Investment grade	965	178
Government bonds	GBP	Investment grade	8	–
Government bonds	USD	Investment grade	121	1,335
Stocks listed in non-OECD countries	HKD	–	–	69
Stocks listed in OECD countries	HKD	–	–	4
<b>Total</b>			<b>1,094</b>	<b>1,894</b>

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

#### Income from securities lending

	2023			2022		
	Gross revenues in EUR' 000	Fee paid to J.P. Morgan in EUR' 000	Net Fund revenues in EUR' 000	Gross revenues in EUR' 000	Fee paid to J.P. Morgan in EUR' 000	Net Fund revenues in EUR' 000
Shares lent out	9	2	7	113	12	101
<b>Total</b>	<b>9</b>	<b>2</b>	<b>7</b>	<b>113</b>	<b>12</b>	<b>101</b>

### Liquidity risk

We distinguish between asset liquidity risk and funding liquidity risk, which are closely connected:

Asset liquidity risk arises when transactions cannot be executed in a timely fashion at quoted market prices and/or at acceptable transaction cost levels due to the size of the trade. Or in more extreme cases, when they cannot be conducted at all. Asset liquidity risk is a function of transaction size, transaction time and transaction cost.

Funding liquidity risk arises when the redemption requirements of clients or other liabilities cannot be met without significantly impacting the value of the portfolio. Funding liquidity risk will only arise if there is also asset liquidity risk.

### Manager

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Depository

The assets of the Fund are held in custody by J.P. Morgan SE, Amsterdam Branch. J.P. Morgan SE, Amsterdam Branch is appointed as the depository of the Fund as referred to in Section 4:62m Wft. The depository is responsible for supervising the Fund insofar as required under and in accordance with the applicable legislation. The manager, Stichting Custody Robeco Institutional and J.P. Morgan SE, Amsterdam Branch have concluded a depository and custodian agreement.

### Liability of the depository

The depository is liable to the Fund and/or the participants for the loss of a financial instrument under the custody of the depository or of a third party to which custody has been transferred. The depository 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 depository is also liable to the Fund and/or the participants for all other losses they suffer because the depository has not fulfilled its obligations as stated in this depository and custodian agreement either deliberately or through negligence. Participants may make an indirect claim upon the liability of the depository through the manager. If the manager refuses to entertain such a request, the participants are authorized to submit the claim for losses directly to the depository.

### 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 participating units. 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

	2023 EUR' 000	2022 EUR' 000
Book value (fair value) at opening date	657,759	830,269
Purchases	66,942	115,571
Sales	(231,659)	(137,727)
Unrealized gains / (losses)	28,792	(175,165)
Realized gains / (losses)	35,805	24,811
<b>Book value (fair value) at closing date</b>	<b>557,639</b>	<b>657,759</b>

EUR -22.9 million of the realized and unrealized results on the equity portfolio relates to exchange rate differences.

A breakdown of this portfolio is given under Schedule of Investments. All investments are admitted to a regulated market and have quoted market prices. 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.

	2023 EUR' 000	2022 EUR' 000
Equities	457	359
Futures	—	5

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 from external parties were charged to the Fund during the reporting period.

### 2. Derivatives

#### Movements in derivatives

	Financial future contracts	
	2023 EUR' 000	2022 EUR' 000
Book value (fair value) at opening date	(150)	45
Purchases	—	1,702
Sales	(63)	—
Unrealized gains / (losses)	338	(195)
Realized gains / (losses)	63	(1,702)
<b>Book value (fair value) at closing date</b>	<b>188</b>	<b>(150)</b>

The realized and unrealized results on derivatives do not contain any exchange rate differences.

The breakdown according to region for futures is given under the information on concentration risk under the information on risks relating to financial instruments

## Notes to the balance sheet (continued)

### 2. Derivatives (continued)

#### Movements in derivatives

	Forward Currency Exchange Contracts	
	2023	2022
	EUR' 000	EUR' 000
Book value (fair value) at opening date	–	–
Expirations	967	(369)
Unrealized gains / (losses)	–	–
Realized (losses) / gains	(967)	369
<b>Book value (fair value) at closing date</b>	<b>–</b>	<b>–</b>

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

#### Presentation of derivatives in the balance sheet

	Assets		Liabilities		Total	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000
Financial Futures Contract	188	–	–	150	188	(150)
<b>Book value (fair value) at closing date</b>	<b>188</b>	<b>–</b>	<b>–</b>	<b>150</b>	<b>188</b>	<b>(150)</b>

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. Dividend receivable

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

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

This concerns:

	31/12/2023	31/12/2022
	EUR' 000	EUR' 000
Dividend tax to be reclaimed	86	17
<b>Sub-total (investment activities)</b>	<b>86</b>	<b>17</b>
<b>Total</b>	<b>86</b>	<b>17</b>

### 5. Cash and cash equivalents

This concerns:

	31/12/2023	31/12/2022
	EUR' 000	EUR' 000
Freely available cash	9,255	13,553
Other cash not freely accessible	–	540
<b>Total</b>	<b>9,255</b>	<b>14,093</b>

## Notes to the balance sheet (continued)

### 6. Payable to credit institutions

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

### 7. Payable to affiliated parties

This concerns the following payables to RIAM:

	31/12/2023	31/12/2022
	EUR' 000	EUR' 000
Payable for management fee	1,091	1,356
<b>Total</b>	<b>1,091</b>	<b>1,356</b>

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

This concerns:

	31/12/2023	31/12/2022
	EUR' 000	EUR' 000
Costs payable	87	62
<b>Sub-total (investment activities)</b>	<b>87</b>	<b>62</b>
<b>Total</b>	<b>87</b>	<b>62</b>

### 9. Fund assets

	2023	2022
	EUR' 000	EUR' 000
<b>Development of Fund assets</b>		
<b>Participants capital Robeco Institutioneel Emerging Markets Fonds</b>		
Situation on opening date	183,854	190,707
Received on participating units issued	55,408	60,454
Paid for participating units repurchased	(205,569)	(67,307)
<b>Situation on closing date</b>	<b>33,693</b>	<b>183,854</b>
<b>General reserve</b>		
Situation on opening date	618,015	580,615
Addition of result in previous financial year	(163,611)	37,400
<b>Situation on closing date</b>	<b>454,404</b>	<b>618,015</b>
<b>Undistributed earnings</b>		
Situation on opening date	(129,137)	69,461
Net result	79,403	(129,137)
Distributed to holders of participating units	(34,474)	(32,061)
Addition to the general reserve	163,611	(37,400)
<b>Situation on closing date</b>	<b>79,403</b>	<b>(129,137)</b>
<b>Situation on closing date</b>	<b>567,500</b>	<b>672,732</b>

## Notes to the balance sheet (continued)

### 10. Fund assets, participating units outstanding and net asset value per participating unit

	31/12/2023	31/12/2022	31/12/2021
<b>Robeco Institutioneel Emerging Markets Fonds</b>			
Assets in EUR' 000	567,500	672,732	840,783
Number of participating units outstanding	4,588,217	5,832,422	5,914,644
Net asset value per participating unit in EUR	123.69	115.34	142.15

### 11. Contingent liabilities

As at balance sheet date, the Fund had no contingent liabilities.

## Notes to the profit and loss account

### Income

#### 12. Investment income

This concerns:

	2023 EUR' 000	2022 EUR' 000
Dividends received*	20,418	28,672
Interest	525	150
Net revenues from securities lending	7	101
<b>Total</b>	<b>20,950</b>	<b>28,923</b>

\* This concerns net dividends received. Factored into this amount is 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.

### Costs

#### 13. Management fee and service fee

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

##### Management fee and service fee specified in the information memorandum

	Robeco Institutioneel Emerging Markets Fonds %
Management fee	0.80

The management fee is used to pay for all the costs arising from the management and marketing of the Fund, as well as costs of administration, external advisors, supervisors and costs relating to statutory reporting including annual reporting and the costs of holding participants' meetings. The costs paid for the external auditor relate exclusively to audit-related costs and amount over the financial year to EUR 10 thousand. If the manager outsources operations to third parties, any costs associated with this will also be paid from the management fee.

#### 14. Performance fee

Robeco Institutioneel Emerging Markets Fonds is not subject to a performance fee.

#### 15. Other costs

This concerns:

	2023 EUR' 000	2022 EUR' 000
Custody fee	300	232
Depositary fee	29	31
Auditing costs	10	8
<b>Total</b>	<b>339</b>	<b>271</b>

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

### Costs (continued)

#### 16. Ongoing charges

	2023 %	2022 %
Management fee	0.80	0.80
Other costs	0.05	0.04
<b>Total</b>	<b>0.85</b>	<b>0.84</b>

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

The proportion of securities-lending income payable as defined in the Information on the Risks of lending Financial Instruments on page 30 is included separately in the ongoing charges.

#### 17. Maximum costs

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

	2023 EUR' 000	2023 % of net assets	Maximum as specified in the information memorandum
Management fee for Institutioneel Emerging Markets Fonds	5,227	0.80	0.80
Custody fee and bank cost	300	0.05	0.10
Depositary fee	29	0.00	0.01
Auditing cost	10	0.00	EUR 10,000

#### 18. Turnover rate

The turnover rate for the reporting period was 6% (for the previous reporting period it was 17%). 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 participation units. The sum of issues and repurchases of own participating units 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.

#### 19. Transactions with affiliated parties

During the reporting period the Fund paid RIAM the following amounts in management fee:

	Counterparty	2023 EUR' 000	2022 EUR' 000
Management fee	RIAM	5,227	6,052

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

### Costs (continued)

#### 20. Fiscal status

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

#### 21. Proposed profit appropriation

For the financial year 2023, dividend distribution will take place on the basis of the fiscal result in order to fulfill the fiscal distribution obligation. It is proposed to establish the dividend for the financial year 2023 at EUR 4.60 per participating unit (previous year EUR 6.00 per participating unit). This proposal is based mainly on the taxable profits for the purposes of the distribution requirement under the applicable tax regime. If necessitated by legislation and regulations or changes in the number of participating units outstanding, an amended dividend proposal will be submitted to the General Meeting of Participants.

The Net Asset Value "NAV" per participating unit will be quoted ex-dividend as of the dealing day 25 June 2024. The NAV per participating unit of the dealing day 25 June 2024 will be published on 26 June 2024. The dividend will be made payable on 27 June 2024. In conformity with the Terms and Conditions for Management and Custody, the net dividend (after deducting 15% dividend tax) will be automatically reinvested on the distribution date unless participants have indicated to choose payment by means of a request to this effect.

#### 22. Subsequent events

The position in X5 Retail Group NV GDR has been sold at a price of USD 17.75 per share, resulting in a total revenue of EUR 2.6 million. As at year-end, the position was valued at nil. The transaction has been settled at 21 February 2024.



## Currency table

### Exchange rates

	31/12/2023 EUR = 1	31/12/2022 EUR = 1
AED	4.0571	3.9196
BRL	5.3659	5.6348
CLP	964.6743	909.2436
CNY	7.8344	7.4192
GBP	0.8665	0.8872
HKD	8.6257	8.3298
HUF	382.2150	400.4500
IDR	17,008.2961	16,614.4141
INR	91.9221	88.2936
KRW	1,422.6787	1,349.5376
MXN	18.7067	20.7978
MYR	5.0759	4.7012
PLN	4.3438	4.6812
RUB	98.7557	77.9092
SAR	4.1424	4.0107
SGD	1.4571	1.4314
THB	37.7045	36.9642
TRY	32.6247	19.9784
TWD	33.9023	32.8025
USD	1.1047	1.0672
VND	26,801.0183	25,160.4183
ZAR	20.2013	18.1593

# Schedule of Investments

As at 31 December 2023

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>Bermuda</i>				
Kunlun Energy Co. Ltd.	HKD	7,660,000	6,252	1.10
			6,252	1.10
<i>Brazil</i>				
CCR SA	BRL	1,950,000	5,153	0.91
CPFL Energia SA	BRL	950,000	6,818	1.20
CSN Mineracao SA	BRL	5,743,000	8,380	1.48
Itausa SA Preference	BRL	3,944,930	7,624	1.34
Petroleo Brasileiro SA, ADR Preference	USD	787,097	10,888	1.92
Sendas Distribuidora S/A	BRL	1,260,100	3,177	0.56
			42,040	7.41
<i>Cayman Islands</i>				
Alibaba Group Holding Ltd.	HKD	2,380,000	20,859	3.68
Baidu, Inc., ADR	USD	74,896	8,074	1.42
China Resources Land Ltd.	HKD	1,820,000	5,908	1.04
China State Construction International Holdings Ltd.	HKD	4,120,000	4,313	0.76
China Yongda Automobiles Services Holdings Ltd.	HKD	5,002,500	1,699	0.30
Chow Tai Fook Jewellery Group Ltd.	HKD	2,180,000	2,937	0.52
ENN Energy Holdings Ltd.	HKD	660,000	4,400	0.78
Full Truck Alliance Co. Ltd., ADR	USD	457,903	2,906	0.51
Lufax Holding Ltd., ADR	USD	250,152	695	0.12
NetEase, Inc.	HKD	416,225	6,785	1.20
Nexteer Automotive Group Ltd.	HKD	4,800,000	2,743	0.48
NU Holdings Ltd. 'A'	USD	420,000	3,167	0.56
Tencent Holdings Ltd.	HKD	140,000	4,765	0.84
Vipshop Holdings Ltd., ADR	USD	407,000	6,544	1.15
WH Group Ltd., Reg. S	HKD	4,202,493	2,456	0.43
Xinyi Solar Holdings Ltd.	HKD	6,955,570	3,677	0.65
Yadea Group Holdings Ltd., Reg. S	HKD	1,570,000	2,497	0.44
			84,425	14.88
<i>Chile</i>				
Cencosud SA	CLP	1,700,000	2,917	0.51
			2,917	0.51
<i>China</i>				
China Construction Bank Corp. 'H'	HKD	12,535,791	6,758	1.19
China Merchants Bank Co. Ltd. 'A'	CNY	1,742,649	6,188	1.09
Gree Electric Appliances, Inc. of Zhuhai 'A'	CNY	1,300,332	5,339	0.94
Haier Smart Home Co. Ltd. 'A'	CNY	2,500,852	6,704	1.18
Henan Mingtai Al Industrial Co. Ltd. 'A'	CNY	1,553,000	2,248	0.40
PICC Property & Casualty Co. Ltd. 'H'	HKD	6,595,830	7,096	1.25
Ping An Insurance Group Co. of China Ltd. 'A'	CNY	1,788,355	9,199	1.62
Shandong Weigao Group Medical Polymer Co. Ltd. 'H'	HKD	2,300,000	2,029	0.36
Weichai Power Co. Ltd. 'H'	HKD	3,000,000	4,535	0.80

# Schedule of Investments (continued)

As at 31 December 2023

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>China (continued)</i>				
Xiamen Xiangyu Co. Ltd. 'A'	CNY	2,314,792	1,983	0.35
			52,079	9.18
<i>Greece</i>				
Alpha Services and Holdings SA	EUR	5,867,986	9,031	1.59
National Bank of Greece SA	EUR	968,654	6,093	1.07
			15,124	2.66
<i>Hong Kong</i>				
China Overseas Land & Investment Ltd.	HKD	1,869,450	2,982	0.53
			2,982	0.53
<i>Hungary</i>				
OTP Bank Nyrt.	HUF	151,000	6,242	1.10
Richter Gedeon Nyrt.	HUF	140,000	3,205	0.56
			9,447	1.66
<i>India</i>				
Axis Bank Ltd.	INR	792,000	9,497	1.67
HCL Technologies Ltd.	INR	772,000	12,313	2.17
HDFC Bank Ltd.	INR	708,000	13,165	2.32
ICICI Bank Ltd., ADR	USD	660,000	14,244	2.51
Infosys Ltd., ADR	USD	688,000	11,447	2.02
Mahanagar Gas Ltd., Reg. S	INR	230,000	3,004	0.53
Mahindra & Mahindra Ltd.	INR	484,435	9,114	1.60
Petronet LNG Ltd.	INR	1,240,000	3,004	0.53
			75,788	13.35
<i>Indonesia</i>				
Bank Rakyat Indonesia Persero Tbk. PT	IDR	34,735,562	11,692	2.06
Bukalapak.com PT Tbk.	IDR	120,000,100	1,524	0.27
Telkom Indonesia Persero Tbk. PT	IDR	37,342,000	8,672	1.53
			21,888	3.86
<i>Luxembourg</i>				
Ternium SA, ADR	USD	86,000	3,306	0.58
			3,306	0.58
<i>Mexico</i>				
Fibra Uno Administracion SA de CV, REIT	MXN	2,440,000	3,987	0.70
Fomento Economico Mexicano SAB de CV, ADR	USD	53,142	6,271	1.11
Grupo Aeroportuario del Sureste SAB de CV, ADR	USD	19,900	5,301	0.93
Grupo Financiero Banorte SAB de CV 'O'	MXN	800,000	7,303	1.29
			22,862	4.03

# Schedule of Investments (continued)

As at 31 December 2023

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>Poland</i>				
KGHM Polska Miedz SA	PLN	130,000	3,672	0.65
			<u>3,672</u>	<u>0.65</u>
<i>South Africa</i>				
Impala Platinum Holdings Ltd.	ZAR	645,000	2,914	0.52
Naspers Ltd. 'N'	ZAR	118,439	18,339	3.23
			<u>21,253</u>	<u>3.75</u>
<i>South Korea</i>				
Coway Co. Ltd.	KRW	58,000	2,332	0.41
Doosan Bobcat, Inc.	KRW	86,000	3,047	0.54
Hana Financial Group, Inc.	KRW	172,258	5,255	0.92
HL Mando Co. Ltd.	KRW	94,642	2,618	0.46
Hyundai Mobis Co. Ltd.	KRW	24,500	4,081	0.72
Hyundai Motor Co. Preference	KRW	59,000	4,736	0.83
Hyundai Motor Co.	KRW	46,000	6,580	1.16
LG Chem Ltd. Preference	KRW	7,300	1,596	0.28
LG Chem Ltd.	KRW	11,800	4,139	0.73
LG Energy Solution Ltd.	KRW	10,800	3,245	0.57
Samsung Electronics Co. Ltd. Preference	KRW	172,000	7,532	1.33
Samsung Electronics Co. Ltd.	KRW	558,181	30,799	5.43
SK Hynix, Inc.	KRW	86,158	8,569	1.51
SK Telecom Co. Ltd.	KRW	91,814	3,233	0.57
			<u>87,762</u>	<u>15.46</u>
<i>Taiwan</i>				
Fubon Financial Holding Co. Ltd.	TWD	3,992,880	7,632	1.34
Giant Manufacturing Co. Ltd.	TWD	718,749	3,901	0.69
Macronix International Co. Ltd.	TWD	3,056,000	2,826	0.50
Mega Financial Holding Co. Ltd.	TWD	3,736,136	4,320	0.76
Merida Industry Co. Ltd.	TWD	450,560	2,425	0.43
Micro-Star International Co. Ltd.	TWD	1,200,000	7,221	1.27
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	2,884,304	50,451	8.89
Tripod Technology Corp.	TWD	461,000	2,652	0.47
Wiwynn Corp.	TWD	68,000	3,660	0.64
			<u>85,088</u>	<u>14.99</u>
<i>Thailand</i>				
Kasikornbank PCL, NVDR	THB	931,200	3,334	0.59
			<u>3,334</u>	<u>0.59</u>
<i>Turkey</i>				
KOC Holding A/S	TRY	742,000	3,225	0.57
			<u>3,225</u>	<u>0.57</u>

# Schedule of Investments (continued)

As at 31 December 2023

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 Arab Emirates</i>				
Dubai Electricity & Water Authority PJSC	AED	5,301,382	3,215	0.57
Emaar Properties PJSC	AED	2,800,000	5,466	0.96
Emirates Central Cooling Systems Corp.	AED	4,600,000	1,882	0.33
			<u>10,563</u>	<u>1.86</u>
<i>Vietnam</i>				
Vincom Retail JSC	VND	2,000,000	1,739	0.31
Vinhomes JSC, Reg. S	VND	1,174,700	1,893	0.33
			<u>3,632</u>	<u>0.64</u>
Total Equities			<u>557,639</u>	<u>98.26</u>
Total Transferable securities and money market instruments admitted to an official exchange listing			<u>557,639</u>	<u>98.26</u>
Other transferable securities and money market instruments				
Equities				
<i>Netherlands</i>				
X5 Retail Group NV, GDR*	USD	154,183	—	—
			<u>—</u>	<u>—</u>
<i>Russia</i>				
LUKOIL PJSC*	RUB	157,917	—	—
Mobile TeleSystems PJSC*	RUB	1,249,680	—	—
Novatek PJSC*	RUB	131,860	—	—
Sberbank of Russia PJSC*	USD	1,615,866	—	—
Sberbank of Russia PJSC*	RUB	228,160	—	—
			<u>—</u>	<u>—</u>
Total Equities			<u>—</u>	<u>—</u>
Total Other transferable securities and money market instruments			<u>—</u>	<u>—</u>
<b>Total Investments</b>			<b>557,639</b>	<b>98.26</b>
<b>Cash</b>			<b>9,255</b>	<b>1.63</b>
<b>Other Assets/(Liabilities)</b>			<b>606</b>	<b>0.11</b>
<b>Total Net Assets</b>			<b>567,500</b>	<b>100.00</b>

\*Security is valued at its fair value under the direction of the Board of Directors of the Manager.

# Schedule of Investments (continued)

As at 31 December 2023

## Financial Futures Contracts

Security Description	Number of Contracts	Currency	Unrealised Gain/(Loss) EUR' 000	% of Net Assets
MSCI Emerging Markets Index, 15/03/2024	90	USD	188	0.03
<b>Total Unrealised Gain on Financial Futures Contracts - Assets</b>			<b>188</b>	<b>0.03</b>
<b>Net Unrealised Gain on Financial Futures Contracts - Assets</b>			<b>188</b>	<b>0.03</b>

Rotterdam, 25 April 2024

The Manager

Robeco Institutional Asset Management B.V.

Daily policymakers RIAM:

K. (Karin) van Baardwijk

M.D. (Malick) Badjie

I.R.M. (Ivo) Frielink

M.C.W. (Mark) den Hollander

M.F. (Mark) van der Kroft

M. (Marcel) Prins



## **Independent auditor's report**

To: the General Meeting and the manager of Robeco Institutioneel Emerging Markets Fonds

### **Report on the audit of the accompanying financial statements**

#### ***Our opinion***

We have audited the financial statements 2023 of Robeco Institutioneel Emerging Markets Fonds ('the Fund'), based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Robeco Institutioneel Emerging Markets Fonds as at 31 December 2023, and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2023;
- 2 the profit and loss account for 2023; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

#### ***Basis for our opinion***

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

We are independent of Robeco Institutioneel Emerging Markets Fonds in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

#### **Information in support of our opinion**

##### ***Audit response to the risk of fraud and non-compliance with laws and regulations***

In the chapter Risk Management of the report by the manager, the manager describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Fund and its business environment, and assessed the design and implementation of the Fund's risk management in relation to fraud and



non-compliance. Our procedures included, among other things, assessing the Fund's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as Internal Audit, Operational Risk Management, Legal and Compliance. As part of our audit procedures, we:

- obtained an understanding of how the Fund uses information technology (IT) and the impact of IT on the financial statements, including the potential for cybersecurity incidents to have a material impact on the financial statements;
- assessed other positions held by management board members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance, if any;
- evaluated correspondence with supervisory authorities and regulators.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Fund and identified the following areas as those most likely to have a material effect on the financial statements:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht, Wft);
- the law on the prevention of money laundering and terrorist financing (Wwft).

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

We rebutted the presumed fraud risk on revenue recognition as the Fund invests in listed securities on regulated markets and/or frequently traded fund certificates and has involvement of third parties in the dividend and/or interest income transactions like the custodian and the depository.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

#### **Management override of controls (a presumed risk)**

##### **Risk:**

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

##### **Responses:**

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.

- We performed a data analysis of high-risk journal entries related to manual post-closing entries and evaluated key estimates and judgments for bias by the Fund's management. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated an element of unpredictability in our audit by performing an online search for news about the Fund and the manager of the Fund to identify information that is relevant for the audit of the Fund with respect to management override of controls.

We communicated our risk assessment, audit responses and results to management.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

#### ***Audit response to going concern***

Since the risks and rewards from (re)valuations of the investment portfolio are borne by the participants in the Fund and the extent of any present and future obligations to third parties is such that these do not affect the Fund's going concern, the manager of the Fund has assessed that no going concern risks exist for the activities of the Fund. As such our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

#### **Report on the other information included in the annual report**

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

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

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

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

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

The manager is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

## **Description of the responsibilities for the financial statements**

### ***Responsibilities of the manager for the financial statements***

The manager is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager is responsible for such internal control as the manager 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 is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the manager should prepare the financial statements using the going concern basis of accounting unless the manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. The manager 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 engagement in a manner that allows us 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 our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the 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.

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

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 25 April 2024

KPMG Accountants N.V.

S. van Oostenbrugge RA

# Sustainability disclosures (unaudited)

## ANNEX IV

### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Robeco Institutioneel Emerging Markets Fonds  
Legal entity identifier: 213800FMLZ9DN4DA326

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** \_\_\_\_%

☒ ☐ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 74.8% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promotes the following Environmental and Social characteristics:

1. All equity holdings granted the right to vote and Robeco exerted that right by voting according to Robeco's Proxy Voting Policy, unless impediments occurred (e.g. share blocking).
2. The sub-fund's portfolio complied with Robeco's Exclusion Policy excluding investments in companies that are exposed to controversial behavior and controversial products. This means that the Sub-fund had no exposure to excluded securities, taking into account a grace period.
3. The sub-fund scrutinized investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies in the portfolio that have breached one of the international guidelines during the investment period, have become part of the Enhanced Engagement program. When engagement deemed highly unlikely to succeed, the company was excluded directly.
4. Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. The sub-fund was limited to a maximum exposure of 10% to investments with an elevated sustainability risk, based on the market weight in the portfolio taking into account regional differences and benchmark. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## Sustainability disclosures (unaudited)

### ● **How did the sustainability indicators perform?**

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product performed as follows. All values are based on the positions and available data as at 31 December 2023.

1. On behalf of the sub-funds votes, were cast on 1163 agenda items at 119 shareholders' meetings.
2. The portfolio contained no investments that are on the Exclusion list as result of the application of the applicable exclusion policy.
3. 0 companies in portfolio are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of the Enhanced Engagement program.
4. 0.41% of the holdings in portfolio had an elevated sustainability risk profile.

### ● **...and compared to previous periods?**

Sustainability indicator	2023	2022
Number of votes casted	1163	1198
Investments on exclusion list	0.00%	0.09%
Companies in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises	0	0
Holdings with an elevated sustainability risk profile	0.41%	1.86%

### ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Robeco uses its proprietary SDG framework to determine if an investment qualifies as sustainable investment. Robeco's SDG Framework is a tool that systematically assesses individual companies on key SDG targets and sector-specific indicators which help analysts determine a company's SDG contributions. These contributions aggregate into an overall SDG company score. The resulting scores are used to help construct portfolios that pursue positive impact, avoid negative impact, and support sustainable progress in the economy, society and the natural environment. Positive scores imply that the investment do not significant harm any of the UN Sustainable Development goals.

The sustainable investments contributed to any or more of the UN Sustainable Development Goals, which include both social and environmental objectives. Robeco used its proprietary SDG Framework to assess which investments constitute a sustainable investment as referred to in art 2(17) SFDR. Under the SDG Framework, "SDG scores" are calculated for each investment. Investments having positive SDG scores (+1, +2, +3) are deemed to contribute to the UN SDGs.

### ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact (PAI) are considered in the calculation of SDG scores under Robeco's proprietary SDG Framework. Violations with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact lead to a negative SDG score. Only investments with a positive SDG score can be classified as sustainable investment, indicating that such investments did no significant harm to any environmental or social sustainable investment objective. Minus scores show harm. Scores of -2 of -3 may even cause significant harm.

## Sustainability disclosures (unaudited)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### How were the indicators for adverse impacts on sustainability factors taken into account?

The fund considered principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. For sustainable investments this meant ensuring that the investments do no significant harm to any environmental or social objective. Many PAI indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators.

The following PAIs were considered in the fund:

- PAI 1, table 1 was considered for scope 1, 2 and 3 Green House Gas emissions via engagement, proxy voting and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 2, table 1 was considered for scope 1 and 2 carbon footprint via engagement, proxy voting and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 3, table 1 was considered for scope 1 and 2 Green House Gas intensity of investee companies via engagement, proxy voting and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 4, table 1 regarding the exposure to companies in the fossil fuel sector was considered via engagement, proxy voting and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 5, table 1 regarding the share of energy consumption from non-renewable sources was considered via engagement, proxy voting and exclusions. Robeco is committed to contribute to the goals of the Paris Agreement and to achieving net zero carbon emissions by 2050. The portfolio decarbonization targets are derived from the P2 pathway from the IPCC 1.5-degree scenario of 2018. The P2 pathway is composed of the following emission milestones: 49% reduction of GHG emissions in 2030 and -89% reduction of GHG emissions in 2050, both relative to 2010 baseline.
- PAI 6, table 1 regarding Energy consumption per High Impact Climate sector was considered via engagement, proxy voting and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal (Coal power expansion plans  $\geq 300$  MW)).
- PAI 7, table 1 regarding activities negatively affecting biodiversity sensitive areas was considered via engagement. Robeco is developing methods to evaluate the materiality of biodiversity for our portfolios, and the impact of our portfolios on biodiversity. Based on such methods Robeco will set quantified targets in order to combat biodiversity loss, latest by 2024.
- For relevant sectors, biodiversity impact is considered in fundamental SI research analysis. Robeco is developing a framework to consider this across all investments.
- Robeco's Exclusion policy covers the exclusion of palm oil producers in which a minimum percentage of RSPO certified hectares of land at plantations as detailed in Robeco's exclusion policy.
- PAI 8, table 1 regarding Water emissions was considered via engagement. Within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to water. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 9, table 1 regarding hazardous waste and radioactive waste ratio was considered via engagement. In addition, within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to waste. When Robeco deems a company to cause



## Sustainability disclosures (unaudited)

significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.

- PAI 10, table 1 regarding violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises was considered via engagement, proxy voting and exclusions. Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and is guided by these international standards to assess the behavior of companies. In order to mitigate severe breaches, an enhanced engagement process is applied where Robeco deems a severe breach of these principles and guidelines has occurred. If this enhanced engagement, which may last up to a period of three years, does not lead to the desired change, Robeco will exclude a company from its investment universe.
- PAI 11, table 1 regarding lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises was considered via engagement and proxy voting. Robeco supports the human rights principles described in the Universal Declaration of Human Rights (UDHR) and detailed in the Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises and the eight fundamental International Labour Organization (ILO) conventions. Our commitment to these principles means Robeco will expect companies to formally commit to respect human rights, have in place human rights due diligence processes, and, where appropriate, ensure that victims of human rights abuses have access to remedy.
- PAI 12, table 1 regarding unadjusted gender pay-gap was considered via engagement and proxy voting. In 2022, Robeco launched an engagement program on diversity and inclusion, which will include elements in relation to the gender pay gap. Overall, gender pay gap disclosures are only mandatory in few jurisdictions (e.g. UK, California). Companies are encouraged to improve such disclosures.
- PAI 13, table 1 regarding board gender diversity was considered via engagement and proxy voting. In 2022, Robeco launched an engagement program on diversity and inclusion, which will include elements in relation to equal pay.
- PAI 14, table 1 regarding exposure to controversial weapons was considered via exclusions. For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons that are tailor made and essential, to be controversial weapons. Exclusion is applied to companies that are manufacturers of certain products that do not comply with the following treaties or legal bans on controversial weapons: 1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines. 2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions. 3. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons. 4. Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons. 5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear Weapons States (USA, Russia, UK, France and China). 6. The Dutch act on Financial Supervision 'Besluit marktmisbruik' art. 21 a. 7. The Belgian Loi Mahoux, the ban on uranium weapons. 8. Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.
- PAI 5, table 3 regarding the share of investments in investee companies without any grievance or complaintshandling mechanism was considered.
- PAI 6, table 3 regarding insufficient whistleblower protection was considered.
- PAI 7, table 3 regarding incidents of discrimination was considered.
- PAI 8, table 3 regarding excessive CEO pay ratio was considered via proxy voting and engagement under the engagement program "Responsible Executive Remuneration".

## Sustainability disclosures (unaudited)

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework. Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. Robeco continuously screens its investments for breaches of these principles. In the reported year, there have been no breaches.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

PAI were considered both pre-investment (through exclusions and through integration in the investment due diligence) and post-investments (through engagement). All values are based on the average positions over the reporting period.

"Pre-investment, the following principal adverse impacts on sustainability factors were considered:

- Via the applied normative and activity-based exclusions, the following PAIs were considered:
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) was 1.93% of the net assets, compared to 4.09% of the benchmark
  - Exposure to companies in violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) was 0.00% of the net assets, compared to 1.39% of the benchmark
  - The share of investments in investee companies with sites/operations located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas (PAI 7, Table 1) was 2.38% of the net assets, compared to 4.40% of the benchmark
  - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1) was 0.00% of the net assets, compared to 1.03% of the benchmark

## Sustainability disclosures (unaudited)

- Via the ESG integration process, as part of the investment due diligence policies and procedures, the following PAIs were considered:
  - The greenhouse gas emissions scope 1 and 2 (PAI 1, table 1) of the portfolio were 74,395 tons, compared to 109,166 tons for the benchmark
  - The carbon footprint of the portfolio (PAI 2, table 1) was 840 tons per EUR million EVIC, compared to 930 tons per EUR million EVIC for the benchmark
  - The green house gas intensity of the portfolio (PAI 3, table 1) was 2,020 tons per EUR million revenue, compared to 2,031 tons per EUR million revenue for the benchmark
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) was 1.93% of the net assets, compared to 4.09% of the benchmark
  - The share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources (PAI 5, Table 1), expressed as a percentage of total energy sources was 74.03% of the net assets, compared to 73.40% of the benchmark
  - The share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources (PAI 5, Table 1), expressed as a percentage of total energy sources voor de funds was 44.78% of the net assets, compared to 78.68% of the benchmark
  - The energy consumption per million EUR of revenue of investee companies, per high-impact climate sector (PAI 6, Table 1) was 0.39GWh, compared to 1.19GWh for the benchmark
  - The share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (PAI 4, Table 2) was 25.16% of the net assets, compared to 33.07% of the benchmark
  - The share of investments in investee companies with sites/operations located in or near biodiversity sensitive areas where activities of those investee companies negatively affect those areas (PAI 7, Table 1) was 2.38% of the net assets, compared to 4.40% of the benchmark
  - The emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (PAI 8, Table 1) were 0.01 tons, compared to 0.10 tons of the benchmark
  - The generation of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average were 37.03 tons, compared to 114.86 tons of the benchmark
  - The average ratio of female to male board members in investee companies expressed as a percentage of all board members (PAI 13, Table 1) was 19.45%, compared to 17.95% for the benchmark

Post-investment, the following principal adverse impacts on sustainability factors are taken into account:

- Via the application of the voting policy, the following PAIs are considered:
  - All indicators related to GHG emissions (PAI 1-6, Table 1). For details see above.
  - Exposure to companies in violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) was 0.00% of the net assets, compared to 1.39% of the benchmark
  - The share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises (PAI 11, Table 1) was 1.58%, compared to 2.10% for the benchmark
  - The share of investments in investee companies without grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (PAI 11, Table 1) was 58.68%, compared to 66.37% for the benchmark

## Sustainability disclosures (unaudited)

- The average unadjusted gender pay gap of investee companies (PAI 12, Table 1) was 20.63%, compared to 14.69% for the benchmark
- The average ratio of female to male board members in investee companies expressed as a percentage of all board members (PAI 13, Table 1) was 19.45%, compared to 17.95% for the benchmark
- Indicators in relation to social and employee matters (PAI 5-7, Table 3)
- The average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest compensated individual) (PAI 8, Table 3) was 100.73, compared to 325.62 for the benchmark
- Via Robeco's entity engagement program, the following PAIs are considered:
  - Via the Robeco Entity Engagement program, the following numbers of engagement cases per PAI were active on portfolio holdings, during the reporting period: PAI 1, table 1: GHG emissions 5 cases. PAI 2, table 1: Carbon footprint 5 cases. PAI 3, table 1: GHG intensity of investee companies 5 cases. PAI 4, table 1: Exposure to companies active in the fossil fuel sector 5 cases. PAI 5, table 1: Share of non renewable energy consumption and production 5 cases. PAI 6, table 1: Energy consumption intensity per high impact climate sector 5 cases. PAI 12, table 1: Unadjusted gender pay gap 1 case.
  - In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of the Sub-fund that cause adverse impact might be selected for engagement.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2023 through 31 December 2023

<b>Largest investment</b>	<b>Sector</b>	<b>% Assets</b>	<b>Country</b>
Taiwan Semiconductor Manufacturing Co Lt	Semiconductors & Semiconductor Equipment	8.52%	Taiwan
Samsung Electronics Co Ltd	Technology Hardware, Storage & Peripherals	5.01%	South Korea
Alibaba Group Holding Ltd	Multiline Retail	4.09%	China
Naspers Ltd	Multiline Retail	3.27%	South Africa
ICICI Bank Ltd ADR	Banks	2.56%	India
Bank Rakyat Indonesia Persero Tbk PT	Banks	2.20%	Indonesia
Ping An Insurance Group Co of China Ltd	Insurance	1.95%	China
China Merchants Bank Co Ltd	Banks	1.71%	China
Infosys Ltd ADR	IT Services	1.77%	India
HCL Technologies Ltd	IT Services	1.75%	India
Alpha Services and Holdings SA	Banks	1.55%	Greece
Axis Bank Ltd	Banks	1.55%	India
Telkom Indonesia Persero Tbk PT	Diversified Telecommunication Services	1.55%	Indonesia
Petroleo Brasileiro SA ADR	Oil, Gas & Consumable Fuels	1.45%	Brazil
China Construction Bank Corp	Banks	1.40%	China

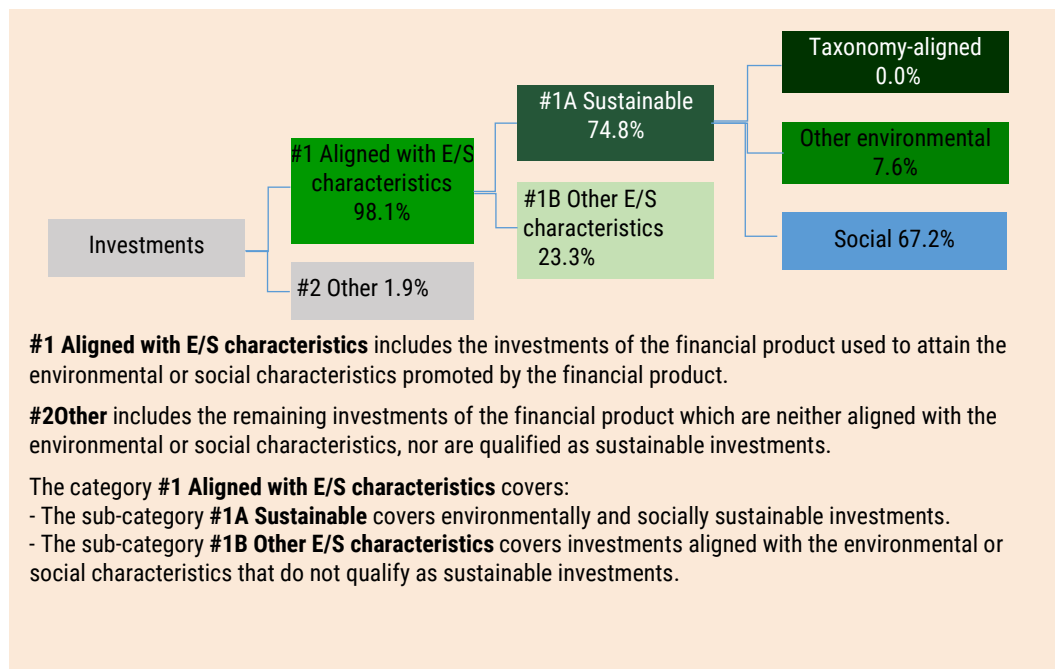
# Sustainability disclosures (unaudited)



## What was the proportion of sustainability-related investments?

98.1%

## What was the asset allocation?



## In which economic sectors were the investments made?

Sector	Average exposure in % over the reporting period
<b>Sectors deriving revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels -</b>	
Gas Utilities	2.52%
Oil, Gas & Consumable Fuels	2.02%
Energy Equipment & Services	0.04%
<b>Other sectors</b>	
Banks	18.89%
Semiconductors & Semiconductor Equipment	11.26%
Multiline Retail	8.68%
Technology Hardware, Storage & Peripherals	8.00%
Insurance	4.37%
Metals & Mining	4.09%
Automobiles	4.01%
IT Services	3.52%
Real Estate Management & Development	3.18%
Household Durables	2.61%
Interactive Media & Services	2.38%
Transportation Infrastructure	1.84%
Auto Components	1.70%
Diversified Telecommunication Services	1.55%
Entertainment	1.35%
Machinery	1.21%

## Sustainability disclosures (unaudited)

Sector	Average exposure in % over the reporting period
Chemicals	1.17%
Leisure Products	1.12%
Food & Staples Retailing	1.11%
Specialty Retail	1.08%
Electric Utilities	1.08%
Diversified Financial Services	1.04%
Food Products	0.82%
Construction & Engineering	0.80%
Beverages	0.74%
Electrical Equipment	0.68%
Pharmaceuticals	0.65%
Diversified REITs	0.65%
Electronic Equipment, Instruments & Components	0.56%
Multi-Utilities	0.54%
Wireless Telecommunication Services	0.50%
Road & Rail	0.47%
Health Care Equipment & Supplies	0.41%
Air Freight & Logistics	0.38%
Water Utilities	0.35%
Industrial Conglomerates	0.31%
Construction Materials	0.21%
Consumer Finance	0.19%
Cash and other instruments	1.90%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0.0%.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy <sup>1</sup>?

☐ Yes:

☐ In fossil gas

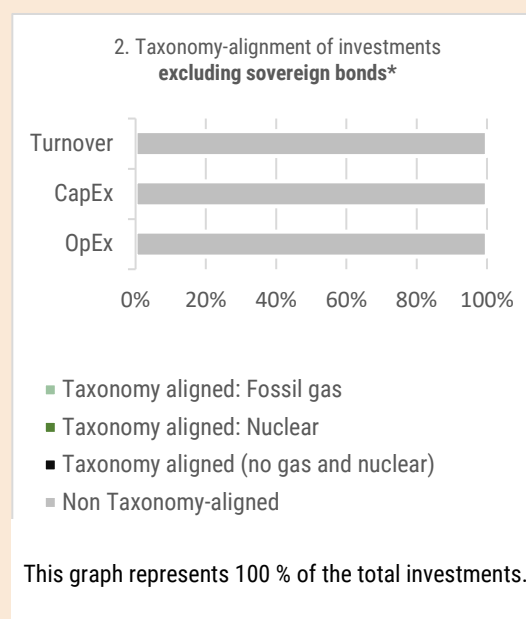
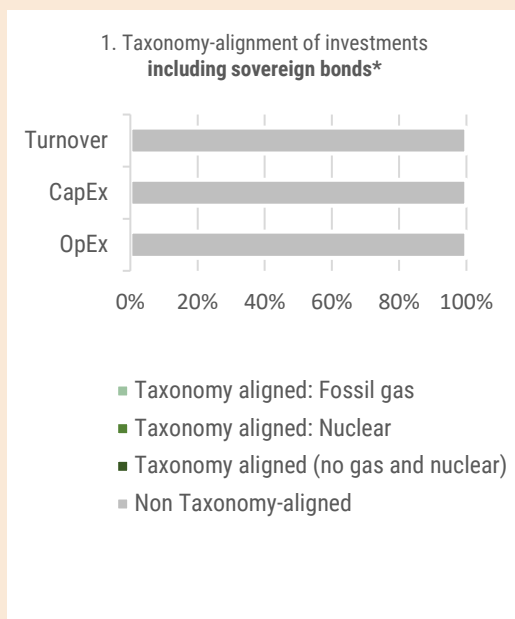
☐ In nuclear energy

☒ No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

# Sustainability disclosures (unaudited)

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What was the share of investments made in transitional and enabling activities?

0%.

## How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The percentage Taxonomy Alignment in portfolio did not change during the reporting period.



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

7.6%. This concerns investments with a positive score on one of more of the following SDG's, without harming other SDG's: SDG 12 (responsible consumption and production), 13 (climate action), 14 (life below water) or 15 (life on land).



## What was the share of socially sustainable investments?

67.2%. This concerns investments with a positive score on one of more of the following SDGs, without harming other SDGs: SDG 1 (No poverty), 2 (zero hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities), 16 (peace justice and strong institutions) or 17 (partnerships for the goals).



## What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



## Sustainability disclosures (unaudited)

Amongst others, the use of cash, cash equivalents and derivatives is included under “#2 Other”. The fund may make use of derivatives for hedging, liquidity and efficient portfolio management as well as investment purposes (in line with the investment policy). Any derivatives in the fund were not used to attain environmental or social characteristics promoted by the financial product.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the reporting period, the overall sustainability profile of the mandate was improved further by focusing on material information with regards to Environmental, Social and Governance factors. Furthermore, 23 of the fund’s holdings were under active engagement either within Robeco’s thematic engagement programs or under more company-specific engagement topics related to Environmental, Social and/or Governance issues. In addition, the percentage holdings with an elevated sustainability risk decreased over the reporting period.