

**Robeco (LU) Funds III**  
*Société d'investissement à capital variable*  
6 route de Trèves, L-2633 Senningerberg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg: B 40.490  
(the "**Fund**")

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## NOTICE TO SHAREHOLDERS OF THE FUND

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By registered mail

Luxembourg, 28 February 2020

Dear Investor,

As a Shareholder in the Fund, the board of directors of the Fund (the "**Board of Directors**") hereby informs you of certain changes in the prospectus of the Fund (the "**Prospectus**") concerning the Fund and its sub-funds (the "**Sub-funds**").

### 1. Description of the full redemption in amounts

The following provision has been added in Section 2.4 "Redemption of Shares" of the Prospectus to allow the automatic processing of the described redemption orders:

*"If a redemption order is made for a cash amount to a higher value than that of the Shareholder's account then this order will be automatically treated as an order to redeem all of the Shares on the Shareholder's account."*

### 2. Update of the Sub-Section "Dilution adjustments / Swing pricing"

The Board of Directors has decided to add disclosures related to the swing pricing mechanism pursuant the release of an FAQ by the *Commission de Surveillance du Secteur Financier*, the Luxembourg financial market supervisory authority (the "**CSSF**") on this topic.

Henceforth, the relevant Sub-Section of Section 2.6 "Calculation of the Net Asset Value" of the Prospectus is amended as follows:

#### **"Dilution adjustments / Swing pricing"**

*Shares will be issued and redeemed on the basis of a single price (the "**Price**" for the purpose of this paragraph). The Net Asset Value per Share may be adjusted on any Valuation Day in the manner set out below depending on whether or not a Sub-fund is in a net subscription position or in a net redemption position on such Valuation Day to arrive at the Price. Where there is no dealing on a Sub-fund or Class of Shares of a Sub-fund on any Valuation Day, the Price will be the unadjusted Net Asset Value per Share.*

*The basis on which the assets of each Sub-fund are valued for the purposes of calculating the Net Asset Value per Share is set out above. However, the actual cost of purchasing or selling assets and investments for a Sub-fund may deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to e.g. fiscal charges, foreign exchange costs, market impact, broker commissions, custody transaction charges and*

spreads from buying and selling prices of the underlying investments ("**Spreads**"). These costs (the "**Cash Flow Costs**") have an adverse effect on the value of a Sub-fund and are known as "dilution".

To mitigate the effects of dilution, the Company may, at its discretion, make a dilution adjustment to the Net Asset Value per Share.

The Company will retain the discretion in relation to the circumstances under which to make such a dilution adjustment. The Company will apply dilution adjustments when it is in the opinion that the interests of Shareholders require so.

The requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund. The Company may at its discretion make a dilution adjustment if, in their opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. ~~In particular, the dilution adjustment may be made where:~~

- ~~(a) — a Sub-fund is in continual decline (i.e. is experiencing a net outflow of redemptions);~~
- ~~(b) — a Sub-fund is experiencing large levels of net subscriptions relevant to its size;~~
- ~~(c) — a Sub-fund is experiencing a net subscription position or a net redemption position on any Valuation Day;~~
- ~~(d) — in any other case where the Company is of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.~~

These adjustments are normally applied on any Valuation Day when the total volume of trading in a Sub-fund's Shares (including both subscriptions and redemptions) exceeds a certain threshold.

The dilution adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share such figure as the Company considers representing an appropriate figure to meet the Cash Flow Costs. The resultant amount will be the Price rounded to such number of decimal places as the Company deems appropriate. The dilution adjustments may vary depending on the order type (net subscription or net redemption), on the underlying asset classes for any Sub-fund or on the market conditions. The dilution adjustments as well as the dealing levels from which they become applicable may be amended from time to time depending on market conditions or any other situation where the Company is of the opinion that the interests of the Shareholders require such amendment(s).

Additional details on the anti-dilution / swing pricing adjustments and actual swing factors can be found on [www.robeco.com/luxembourg/](http://www.robeco.com/luxembourg/).

For the avoidance of doubt, Shareholders placed in the same situation will be treated in an identical manner.

Where a dilution adjustment is made, it will increase the Price where the Sub-fund is in a net subscription position and decrease the Price where the Sub-fund is in a net redemption position. The Price of each Class of Shares in the Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the Price of each Class of Shares in an identical

manner.

~~On the occasions when the~~ The dilution adjustment is ~~not made~~ ~~there may be an adverse impact~~ on the ~~total assets~~ capital activity at the level of ~~the~~ Sub-fund ~~and does not address the specific circumstances of each individual investor transaction.~~"

### 3. Clarification of the valuation of assets

The description of Section 2.6 "Calculation of the Net Asset Value" has been amended to clarify the valuation of assets.

More specifically, the description of the following provision has been amended as follows:

**"The assets of each Sub-fund of the Company will be valued as follows:**

- (a) transferable securities, money market instruments and/or financial derivative instruments listed on a Regulated Market, will be valued at the last available price (generally this will be the ~~last available closing price~~ prices after the specified Cut-off time of the relevant Sub-fund; ~~in case there is no closing price after the Cut-off time, the valuation will take place against the market price available after the specified Cut-off time and as near as possible to the time of valuation ("snapshot")~~; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security or asset. Should the last available market price for a given transferable security, money market instrument and/or financial derivative instrument not truly reflect its fair market value, then that transferable security, money market instrument and/or financial derivative instrument shall be valued on the basis of the probable sales prices which the Company deems is prudent to assume,"

### 4. Clarification of the definition of Valuation Day

The definition "Valuation Day" has been completed as follows:

#### **"Valuation Day**

Valuation Day is a day **on** which or **for** which a Sub-fund accepts dealing requests and as of which an NAV per Share for each Share Class is calculated. If dealing requests have to be submitted in advance of the Valuation Day for which the order is made, this will be disclosed in Appendix I.

Subject to any further restrictions specified for a Sub-fund in Appendix I, a Valuation Day is a week day other than a day on which any exchange or market on which a substantial portion of a Sub-fund's investments is traded, is closed. When dealings on any such exchange or market are restricted or suspended, the Company may, in consideration of prevailing market conditions or other relevant factors, decide that a particular day will not be a Valuation Day. In addition, the day immediately preceding such a relevant market condition may be a non-valuation day for Sub-funds, in particular where the Cut-off time occurs at a time when the relevant markets are already closed to trading, so that the Sub-funds will be unable to take appropriate actions in the underlying market(s) to reflect investments in or divestments out of Shares made on that day. These additional non-valuation days are available on [www.robeco.com/luxembourg](http://www.robeco.com/luxembourg).

By exception to the above, and provided it is not a Saturday or Sunday, an NAV per Share for each Share Class will be calculated as of 31 December. No dealing requests will however be accepted.

For a list of expected non-dealing and non-valuation days, please visit [www.robeco.com/luxembourg](http://www.robeco.com/luxembourg)"

## 5. Restructuring of the Fees and Expenses Section

The Board of Directors has decided to redraft Section 3.1 "Fees and Expenses" by restructuring and consolidating all fees and expenses under one Section for clarification purposes.

## 6. Use of the term "registered office" instead of "incorporation"

To describe the link between the companies and the countries the Board of Directors has decided to amend the term "registered office" into "incorporation" in the relevant Sub-funds factsheets and in Appendix II – Investment Restrictions.

## 7. Amendment of the investment restrictions for target UCITS and/or other UCIs

The Board of Directors has decided to amend Sub-Section VI. e) of Appendix II – Investment Restrictions as follows:

*"Units of UCITS and/or other UCIs in which the Company invests may have different investment restrictions. ~~When a Sub-Fund acquires shares of Robeco carries out proportionate due diligence to ensure that the investments in UCITS and/or other UCIs, the underlying assets of the respective UCITS or other UCIs do not have to be combined with the assets of the investing Sub-Fund fit with the investment strategies or restrictions set out in the Company's investment restrictions, the Articles of Incorporation and the Prospectus.~~"*

## 8. Increase of service fee for all Sub-funds

The Board of Directors has decided to change the service fee model by including custody and depositary fees and other operational expenses in the service fee. This means that the service fee will be increased by 4 bps for all other Share Classes than the Z Share Classes for which the service fee remains at 0%.

The change to this new model is based on (1) an increased need for more predictability on total expenses for investors by including custody and depositary fee and operational expenses into one predefined fee component, and (2) the aim to bring the service fee model more in line with market average. The change in model is expected to result in predictable total expense ratios.

This change will become effective as from 1 April 2020.

## 9. Addition of a section on the prevention of money laundering and financing of terrorism

The Board of Directors has decided to add to the Prospectus a new Section 2.5 dealing with the prevention of money laundering and financing of terrorism. As a consequence, the previous Sections 2.5 to 2.8 have been renumbered accordingly.

Except as otherwise provided above, the changes will become effective as from 28 February 2020.

Shareholders are reminded that, as provided in the Prospectus, the Fund does not charge any redemption fee and Shareholders who disagree with the changes outlined above may redeem their Shares free of charge.

Any defined term in this letter shall have the same meaning as in the Prospectus unless otherwise defined herein.

Any further details, the last net asset value per share for each class of the Sub-Fund, the revised

Prospectus (available as from February 2020), the Key Investor Documentation, the articles of association and the annual and semi-annual reports of the Company are available free of charge at the registered office of the Company, at the representative of the Company in Switzerland, ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zürich, and at [www.robeco.com/luxembourg](http://www.robeco.com/luxembourg).

The paying agent of the Company in Switzerland is UBS Switzerland A.G., Bahnhofstrasse 45, CH-8001 Zurich.

Yours faithfully,  
The Board of Directors of Robeco (LU) Funds III