

ROBECO

Rolinco N.V.

Investment company with variable capital, incorporated under Dutch law
Undertaking for Collective Investment in Transferable Securities
Chamber of Commerce 24107720

Annual report 2014

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Rolinco N.V.

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

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Roderick M.S.M. Munsters (up to 1 January 2015)
Hans A.A. Rademaker
Jurgen B.J. Stegmann (up to 1 January 2015)

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General information

Legal aspects

Rolinco N.V. (the 'fund') is an investment company with variable capital established in the Netherlands. Since 14 August 2012, the fund has been an Undertaking for Collective Investment in Transferable Securities (UCITS) within the meaning of the Council Directive for Investment Institutions dated 13 July 2009 (Directive 2009/65/EG). UCITS have to comply with certain restrictions to their investment policy in order to protect investors.

Introduction of share classes

The ordinary shares are divided into three series. Each series is designated as a share class. As of balance-sheet date, the first two series were open. The series include the following share classes:

Share class A: Rolinco

Share class B: Rolinco – EUR G (opened for trading per 25 September 2013).

The amendment resolution on the Financial Markets 2014 stipulates that distributors for investment institutions in the Netherlands will now only be permitted to charge commission/distribution fees subject to stringent conditions. For this reasons, the fund has introduced a share class with a lower management fee (without distribution fee), namely Rolinco – EUR G. In practice this means both a share class with a distribution fee and one without are available to the fund.

Various Dutch distributors have made use of the option to swap shares with a distribution fee (Rolinco) for shares without a distribution fee (Rolinco – EUR G). This exchange did not take place at any one fixed time and thus varies from one distributor to another.

Allocation to share classes

The fund is managed in such a way that the allocation of results to the different share classes occurs proportionately on a daily basis. Issuing and repurchasing proprietary shares are registered per share class. The differences between the various share classes are expressed in notes 17 to 18 in the financial statements.

Tax features

As per 1 January 2014, on the basis of Article 28 of the Dutch Corporate Income Tax Act, the fund has the status of a fiscal investment institution. This means that no corporate-income tax is due, providing that, after the deduction of costs, the fund makes its profit available for distribution to shareholders in the form of dividend within eight months of the close of the financial year and satisfies any other relevant regulations.

Liquidity of ordinary shares

The fund is an open-end investment company, meaning that, barring exceptional circumstances, it issues and repurchases ordinary shares on a daily basis at prices approximating net asset value, augmented or reduced by a limited surcharge or discount. The only purpose of this surcharge or discount is to cover the costs made by the fund related to the entry and exit of investors. The maximum current surcharge or discount is 0.35%. Any surplus or deficit accrues or is charged to the fund.

The Rolinco share class is listed on Euronext Amsterdam¹, Euronext Fund Service segment. In addition, the fund has a stock exchange quotation in Berlin, Dusseldorf, Frankfurt, Hamburg, Luxembourg, Munich, Paris, Vienna and Zurich. The cumulative preference shares are listed on Euronext Amsterdam, Euronext Fund Service segment. The Rolinco - EUR G share class is listed on Euronext Amsterdam¹, Euronext Fund Service segment.

Key investor information and prospectus

A prospectus and a key-investor-information document with information on the product and its associated costs and risks are available for Rolinco N.V. Both documents are available free of charge at the fund's offices and at www.robeco.com.

¹ Depending on the distributor, investments can be made in Rolinco or Rolinco - EUR G.

Representative and paying agent in Switzerland

RobecoSAM AG, Josefstrasse 218, CH-8005 Zurich, is the fund's appointed representative in Switzerland. Copies of the prospectus, Articles of Association, annual and semiannual reports and a list of all purchases and sales in the fund's securities portfolio during the reporting period are available from the above address free of charge. UBS AG, Bahnhofstrasse 45, CH-8001 Zurich, is the fund's paying agent in Switzerland.

Representative and paying agent in Germany

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

Financial services in Belgium

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

Translations

This report will also be published in English and German. Only the original Dutch edition is binding and will be submitted to the General Meeting of Shareholders.

Key figures per share class

Overview 2010 – 2014

Rolinco	2014	2013	2012	2011	2010	Average
Performance in % based on:						
- Market price ^{1,2}	13.0	28.1	14.8	-16.1	21.9	11.2
- Net asset value ^{1,2}	12.1	27.7	16.0	-15.7	22.2	11.4
- MSCI All Country World Index ³	18.6	17.5	14.3	-4.2	19.9	12.8
Dividend in EUR ⁴	0.40	–	–	–	–	
Total net assets ⁵	325	608	604	607	789	

Rolinco - EUR G	2014	2013 ⁶	Average
Performance in % based on:			
- Market price ^{1,2}	13.6	7.6	17.1
- Net asset value ^{1,2}	12.7	8.5	17.2
- MSCI All Country World Index ³	18.6	4.2	18.2
Dividend in EUR ⁴	0.40	–	
Total net assets ⁵	322	48	

¹ Possible differences between the performance based on market price and on net asset value are caused by the fact that the last market price of the reporting period and the net asset value are determined at different times. The last market price of the reporting period is the price on the last market day of the reporting period and uses the price data at 06:00h. The net asset value is based on the valuation figures from the close of trading on that same day.

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

³ Until 1 January 2011, the fund's reference index was the S&P/Citigroup World Growth Primary Market Index; from 1 January 2011, this was the MSCI All Country World Index. Currencies have been converted at rates supplied by World Market Reuters.

⁴ The dividend relates to the reporting year mentioned and is distributed in the following year. Proposed for 2014.

⁵ In millions of euros.

⁶ Concerns the period from 25 September through 31 December 2013.

Performance summary per share ¹

EUR x 1

Rolinco	2014	2013	2012	2011	2010
Investment income	0.39	0.04	0.01	0.01	0.00
Change in value	3.01	5.81	3.14	-3.12	3.99
Management costs, service fee and other costs	-0.32	-0.22	-0.19	-0.18	-0.18
Net result	3.08	5.63	2.96	-3.29	3.81

Rolinco - EUR G	2014	2013 ¹
Investment income	0.43	0.05
Change in value	3.23	2.50
Management costs, service fee and other costs	-0.19	-0.03
Net result	3.47	2.52

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

² Concerns the period from 25 September through 31 December 2013.

Report of the management board

General introduction

Economy

The year 2014 was characterized by a weak and uneven recovery in the global economy. The US maintained its momentum and continued to look solid, despite the slowdown in growth elsewhere. 2014 should have been the year of gradual but convincing recovery, but in fact global growth was disappointing, stalling at around 2.4%, whereas expectations had been in the region of 3%.

The performance of the Eurozone was not convincing. As a result of geopolitical unrest, the core countries were confronted with slackening producer and consumer confidence in the first six months of the year. The controversial annexation of the Crimea by Russia and the ensuing conflict in Ukraine caused Russia's relations with the West to cool significantly and uncertainty to increase. Eurozone governments made sluggish progress on structural reform and instead opted for austerity measures which slowed growth. Although there was almost no reform on the supply side of the economy, the periphery succeeded in significantly improving its competitiveness. Spain and Ireland in particular gained ground. Systemic risk in the Eurozone declined in the course of 2014, partially as a result of the more balanced competition between the member countries.

In Japan, the effects of the April 2014 VAT hike on the economy were more extensive than people had generally anticipated. And it did not manage to pull itself together again in the third quarter. Japanese Prime Minister Abe reconfirmed his mandate in December by handsomely winning the interim elections, enabling him to push forward with his economic reform program 'Abenomics' with renewed fervor. This reform program now relies fairly and squarely on quantitative easing by the Bank of Japan.

The Chinese economy weakened in 2014 as a result of a decrease in GDP growth to 7.3% in the third quarter. The Chinese authorities have implemented extra stimulus measures to ensure a controlled slowdown in overheated sectors such as real estate and we expect the Chinese economy to slow down in a restrained way. After all, the authorities have more than enough of a buffer to withstand the effects of potential bankruptcies.

The leading role on the macroeconomic stage this year was not taken by the central banks as in previous years, but by oil. Developments in the oil market generally forced central banks to implement monetary easing. In the course of the year, the oil price fell by almost 50% as a result of drastic changes in market dynamics. The market was flooded with excess oil when additional supply came onto the market from unconventional oil fields in the US, while slower global macroeconomic demand exacerbated this imbalance. In November OPEC, which is usually the leveling force in the oil market, chose not to reduce output. This meant that the market had to sort out the supply surplus and demand shortage itself, resulting in a collapse in the oil price.

The decline in the oil price and that of other commodities strengthened the disinflationary trend in the developed markets, particularly the Eurozone. In December 2014, this region was confronted with deflation for the first time since 2009, although core inflation remained positive at 0.8%. The ECB took preventative action in September by lowering its policy rate to zero and setting a negative deposit rate for banks. The central bank also started buying up more asset-backed securities to call a halt to falling inflation and to protect its inflation target of 'lower than, but close to 2%'.

In the US, the Fed ended its policy of quantitative easing and prepared the markets for a rate hike in 2015.

Outlook for the equity markets

2014 was once again a strong year for the global equity markets, with a total return of 18.6% for the MSCI World All Countries Index in euro terms. The main contributors to this performance were the developed equity markets and an appreciation of the US dollar versus the euro. Emerging markets lagged developed markets with a return of 11.4% in euro terms. Just as in 2013, stock prices outpaced earnings growth, pushing valuations – equity price/earnings ratios – to even higher levels. Stock prices gains were driven by optimism on US economic growth, easy monetary policy in Japan and plans for accommodative policy in Europe. The markets in the US, Europe and Japan diverged. The US was the strongest, with a return of 13.7% in US dollars. Europe was weak, returning 4.9% in the Eurozone and 1% in the United Kingdom. The market appreciation in Japan of 8.9% in Japanese yen terms was somewhere between that of Europe and the US.

Stock prices are made up of two parts: the earnings growth and the price/earnings ratio that investors are prepared to pay for that earnings growth. We expect corporate earnings to continue to grow – not excessively, but somewhere between 5 and 10%. Japanese companies are expected to lead the way. The weaker yen is fully reflected in these higher earnings. Europe also has a tailwind, in the form of the weaker euro, but headwind from Russia. In the US strong growth and the lower oil price will have a positive effect on earnings growth. US consumers are having to spend less on energy and so have more disposable income for consumer goods. And now the second part: what price/earnings ratio are investors prepared to pay for this earnings growth in 2015 and the years that follow? The higher the price/earnings ratio, the more convinced investors are that the optimistic earnings expectations can also be achieved. Equity valuations say much about the prevailing sentiment. But sentiment has a tendency to suddenly change, especially when it reaches a peak or a trough. Given that we expect a slight pick up in earnings and no crisis, and that there are still enough skeptics and pessimists among investors, a fall in price/earnings ratios is unlikely. The price/earnings ratio can also fall if there are good alternatives available. But interest rates on savings and bond yields are low and equities seem to be the only option if you are seeking higher returns. The argument – that there is nothing better available – is primarily the result of the central banks' monetary policy. By keeping interest rates low and buying up debt paper, they have caused bond returns to become so low that investors are being driven towards more risky investments, such as equities. In a scenario of unchanged price/earnings ratios and higher earnings forecasts, we expect equity markets to rise further in 2015. Of course there are other possible scenarios that could completely upset our positive outlook for the equity markets. Imagine for example that the largest global economies all grow unexpectedly quickly and in tandem in 2015. This would cause interest rates to rise rapidly and could cause significant declines in both the bond and equity markets. Or imagine that the slowdown in China's economic growth is more extreme and quicker than we are now expecting – this could have a negative effect on all those companies that have benefited from the upcoming Chinese middle class in recent years.

Investment results

Investment result per share class				
Share Class	Price in EUR x 1 31/12/2014	Price in EUR x 1 31/12/2013	Dividend paid in 2014	Investment result in reporting periods in % ¹
<i>Rolinco</i>			0.00	
- Market price	29.49	26.10		13.0
- Net asset value	29.54	26.32		12.1
<i>Rolinco - EUR G</i>			0.00	
- Market price	30.55	26.90		13.6
- Net asset value	30.60	27.13		12.7

¹ Any dividend payments that are distributed in any year are assumed to have been reinvested in the fund.

2014 was another good investment year with positive returns for both share classes of Rolinco N.V. These were however lower than the returns realized by the reference index, the MSCI All Country Index. After a strong start in 2013, Rolinco N.V.'s approach to select stocks that benefit from growth in four top-down trends, did not perform as well in 2014. Of these four trends, only the 'Healthy Aging' trend managed to perform significantly better than the reference index, while the other three trends – 'Emerging Middle Class', the 'Digital World' and 'Industrial Renaissance', all lagged.

For the 'Healthy Aging' trend, stocks are selected that can benefit from the aging society, from innovations in the health care sector and the growing demand for private pension solutions: this basket achieved a return of 33% over 2014. Especially US stock Illumina contributed to this good return: this manufacturer of DNA machines introduced new machines at the beginning of 2014 that are able to produce a complete DNA inventory for less than USD 1,000 and this was rewarded a return of 90%. Our position in Allergan, the producer of botox, also contributed to the positive investment result of Healthy Aging. A takeover battle relating to this company also helped performance and Rolinco N.V. realized a return of 52% on this position.

For the trend 'Emerging Middle Class', stocks were selected that will benefit from the strong growth of the new middle class in countries in Asia, Latin America and Africa. These stocks realized a return of 10%. Positive outperformers were the South African insurance company Sanlam, which rose 40%, and the Japanese diaper manufacturer Unicharm which is growing strongly in Asia and which rose by 46%. The choices for the Latin American discount airline Copa and for Las Vegas Sands, the largest owner of casinos in Macau were less fortunate. Airline company Copa dropped by 10% mainly due to the devaluation of the Venezuelan currency. Las Vegas Sands dropped by 14% due to the fact that the number

of visitors to casinos in Macau decreased significantly following anti-corruption measures implemented by the Chinese government.

The 'Digital World' trend also realized a result of 9%. Those selected stocks that benefit from further corporate digitization and from the further digitization of financial transactions made a particularly positive contribution to the investment result. A good example is Palo Alto Networks, which offers digital security services to companies and which has risen by 31% since being included in the Rolinco N.V. portfolio. Visa also experienced a good investment year, certainly after the company concluded a deal with Apple to handle the digital processing of Apple Pay, the digital payment system on the new generation iPhone telephones. Digital stocks which are growing thanks to e-commerce experienced a much more difficult investment year in 2014. For instance, the value of our position in the British clothing website ASOS dropped by 64% after it had to issue a profit warning due to large investments in a new worldwide distribution capacity. The investment in the Swedish Kinnevik was also disappointing. Rolinco N.V. realized a negative return of 13% on this parent company of, among others, online clothing store Zalando and Rocket Internet.

The least profitable investment trend in 2014 was 'Industrial Renaissance' with a realized return of 1%. In spite of the fact that the introduction of new technologies and robots is clearly changing the industry, the stocks that are set to benefit from this were not popular among investors. For instance, our position in 3D Systems, one of the largest sellers of 3D printers, resulted in a loss of 59%. A delay in the completion of a factory for 3D metal printers, as well as an unexpected share issue and thus profit dilution, were the most important reasons for this. In addition, the strong drop in the oil price was not positive for our investments in the US shale industry. Our assumptions, that the shale revolution will make the US energy self-sufficient and that new technologies will be used to produce more locally for local consumption, are still valid. After all, the oil and gas prices in the US are still lower than in other regions. However, the differences have become smaller due to the almost 50% reduction in oil prices. Chart Industries, which is in an excellent position to benefit from cheap American shale gas with its LNG installations, saw a lot of sales postponed due to lower prices and as a result Rolinco N.V. was confronted with a 45% drop in the stock price. On the positive side, is the investment in Union Pacific that is profiting from a more intensive use of its railway network in the US – an important signal that more is actually being produced locally. Rolinco realized a return of 64% on its investment in Union Pacific. Japanese Keyence, which advises companies on how to make their factories more efficient and therefore cheaper to run through automation and the use of robots, has had a surprisingly good year which was reflected in a return of 20%. Due to the strong growth in Asia and the United States, more than half of Keyence's turnover is realized outside Japan.

Rolinco N.V. made use of the first half of 2014 to reduce its interest in Robeco Asian Stars Equities. This investment fund was the last remaining indirect investment and it realized a return of 8%, which is significantly higher than the return of the reference index over the same period.

The derivative positions contributed to the positive investment result in 2014. Due to the devaluation policy of the Japanese Abe government, we hedged on average 50% of our position in Japanese yen with forward exchange contracts during the year. As the Japanese yen depreciated by 1% in relation to the euro and by as much as 14% against the US dollar, this hedge was certainly beneficial.

Movements in net assets

During the reporting period the assets of the Rolinco N.V. fund fell by EUR 8.3 million to EUR 653.4 million. This decline can be explained by the following items.

Survey of movements in net assets	
EUR x thousand	2014
Assets at opening date	661,725
Company shares issued	288,648
Company shares repurchased	-371,564
6.5% cumulative preference shares repurchased	-190
Situation at closing date	578,619
Direct investment income	9,413
Costs	-5,905
Indirect investment income	71,847
Net result	75,355
Dividend paid out on cumulative preference shares	-526
Assets at closing date	653,448

More information can be found in the notes on the changes to shareholders' equity on page 23.

Investment policy

Rolinco N.V.'s investment policy is aimed at investing in growth stocks using a top-down selection process based on a number of secular growth trends. With the assistance of all the expertise and experts of Robeco, such as the specialists in sustainable investing of Robeco SAM and quantitative models, the fund managers capitalize on these trends with stocks that are set to benefit from the growth arising from these trends. The top-down growth trends which Rolinco N.V. has selected are: the Digital World, the Emerging Middle Class, the Industrial Renaissance and Healthy Aging.

The Digital World

A large part of the global economy has already become digitalized and this offers enormous potential for future innovation. The digital world is already making existing products and services cheaper, for example, through e-commerce. In addition, it also offers a platform for new products and services that were previously regarded as impossible. The growth opportunities for new companies in this trend are considerable and we see a lot of potential, in particular, in the digital consumer, the digital company and, of course, the digital bank. With the ascendancy of the smartphone, the consumer now not only has a global shopping mall in his pocket, he also has a digital purse. As at year-end 2014, Rolinco N.V. had invested approximately 23% of the invested capital in this trend through a basket of 14 stocks. During 2014, a number of digital consumer names such as the online stores Amazon, ASOS and Kinnevik, the parent company of, among other companies, Zalando, were sold. In our view, the valuations had become too high, certainly against a backdrop of disappointing earnings growth due to further investment. Instead, we invested in stocks that are set to profit from further corporate digitization such as cyber-security company Palo Alto Networks and Splunk, which helps companies analyze 'big data'. Both these young American companies grew rapidly in 2014 by acquiring new customers and by selling more analysis and security services and products to existing customers. Reed Elsevier was also added to the portfolio: in recent years, this company has gradually made the transition from an old-fashioned publisher to a company that is really profiting from the 'big data' revolution. For instance, Reed Elsevier already sells risk analyses to its insurance customers based on its data and the same can also be done for its law firm customers.

The Industrial Renaissance

As at the end of December 2014, Rolinco N.V. had invested approximately 26% of the invested capital in this trend. Within this trend, we target stocks that are able to profit from the major changes that we expect in the production of goods worldwide. In the near future we expect it to be possible to manufacture products tailored to individual requirements in a fast and cheap way close to home. As a result of the general digitization of society, and the introduction of a number of new technologies such as Cloud computing, 3-D printers, nano technology and robotics, it is already possible today to print perfectly fitting crowns while the patient waits in the dentist's chair. Partly as a result of these new technologies, a turning point has been reached in the outsourcing of manufacturing. In the United States, for instance, cheaper labor in Asia now hardly outweighs the transport costs. Employment costs in China have been rising in double-digit percentages each year, whereas the costs of installing robots are going down as a result of Cloud computing and robotics. In conjunction with the substantially lower electricity prices in the United States resulting from the extraction of cheap shale gas, this marks the turning point at which companies will again start manufacturing their products for the US, in the US. In recent years, many chemical and automotive companies in the United States and Mexico have already taken this step. We expect this to become even more widespread in 2015, and the same trend to become evident in Europe. Particularly now that labor in countries such as Spain and Italy has become so much cheaper. Within this trend, we sold our positions in KBR, JGC and Chart Industries during this year. All these stocks should have benefited from the growth opportunities for LNG projects offered by cheap shale gas in the United States. However, many projects have been shelved due to the lower oil price. The Swedish Hexagon was added to the portfolio halfway through the year: this mini-conglomerate sells a wide range of analyses, data and technologies to make factories more efficient and more robust on a smaller scale.

The Emerging Middle Class

The rising prosperity in emerging markets such as China, Brazil and India will result in a strong increase in demand for local consumer products for basic needs such as food and diapers. In addition, we believe that providers of simple financial products such as car insurance and mortgages will be able to profit from this emerging middle class, as will a number of Western luxury brands. As at year-end 2014, Rolinco N.V. had invested approximately 20% of the invested capital in this trend through a basket of 14 stocks. In the course of the year, the Brazilian shopping centers of BRMalls were exchanged for the Brazilian schools and universities of Kroton. In addition, Chinese cookie manufacturer Want Want was exchanged for the Korean version of L'Oreal, i.e. AmorePacific. Want Want is facing more and more

competition from cheap regional producers, while AmorePacifc now offers a number of skin-care products that are growing strongly in China and in other countries in South-East Asia.

Healthy Aging

The 'aging tsunami', which is expected to hit us in the 21st century, is of unprecedented proportions. Not only the western countries, but also China and Russia will be confronted with a contracting and aging population in the coming years. This puts pressure on the affordability of health care in these countries. Governments can simply not continue to pay the ever increasing costs of health care, certainly in view of high government debts. We expect this to have two effects on future health care expenditure. First of all, a shift towards preventive and personal care and screening and away from expensive treatments in hospitals will occur. The second effect is that a healthy lifestyle where sports and a good diet play a role will be stimulated and rewarded more in the future. In addition to the increasing demand for health care, aging will also result in a strong growth in pension products and leisure activities. As at year-end 2014, Rolinco N.V. had invested approximately 30% of the invested capital in this trend through a basket of 18 stocks. A change in our exposure to this trend in 2014 was the sale of Adidas, after the first of what later turned out to be three profit warnings. Later on in the year, the fund bought an interest in Japanese manufacturer of running shoes, Asics. In contrast to Adidas, Asics is winning market share in the most important sports market, the United States, and it has also succeeded in capitalizing on the depreciation of the Japanese yen. We also accumulated a position in Japanese Shimano: this supplier to sport bicycle manufacturers has a strong brand name and is growing rapidly in both emerging and developed markets. Furthermore, our stake in the botox manufacturer Allergan was sold after the stock had risen over 50% following a takeover bid. In this case, unfortunately, this was a little premature on the part of the fund managers, as this bid was followed by a bid that was twice as high.

Sustainability investing

The sustainability investing carried out by funds at Robeco is implemented with minimum restrictions to the investment universe, and consists of a combination of effective measures:

- exercising voting rights
- engagement
- exclusions
- integrating ESG factors¹ into the investment processes

Exercising voting rights

The Manager aims to exercise voting rights on shares held by the fund throughout the world. The Manager is convinced that effective corporate governance will be beneficial to shareholder value in the longer term. The corporate-governance policy of the Manager is based on the internationally accepted principles of the International Corporate Governance Network (ICGN). The Manager is of the opinion that local legislation and codes for corporate governance, such as the Corporate Governance Code in the Netherlands, should be guiding principles for corporate-governance practice and voting behavior. This approach is in line with the ICGN Global Governance Principles.

Engagement

Engagement means making active use of the rights of investors to influence how companies are managed. Robeco enters into active dialogue with companies about corporate social responsibility. In our opinion, this will increase shareholder value for our clients in the longer term. We use an integral approach, which combines the expertise of our investment analysts, our sustainability-investing research analysts and our engagement specialists. By using financially material information as the basis for our talks, we strive to ensure that our dialogue introduces added value and improves the risk/return profile of the company's stock. This way we generate value for our clients as well as the company.

Exclusions

Robeco's exclusion policy is based on two main exclusion criteria. Firstly, it excludes companies that are involved in the production of controversial weapons or essential components for such weapons, or that gain significant revenues from the sale or transport of these weapons. We base our policy of not investing in such companies on a legislative amendment in the Netherlands governing investments in cluster-munition companies that became effective on 1 January 2013. Besides the exclusion policy for companies, Robeco also has an exclusion policy for countries. Robeco considers any country that systematically violates the human rights of its own citizens as controversial. These exclusions

¹ ESG stands for Environmental, Social and Governance.

apply to country-related investments (such as government bonds). Secondly, an unsuccessful dialogue may in time lead to a company's exclusion from the investment universe. Such a dialogue with a company concerns serious and systematic violations of widely accepted international directives on good corporate governance. Robeco focuses in particular on the United Nations Global Compact. Robeco Group's Management Board has the final authority to exclude companies and countries. Robeco Institutional Asset Management B.V. will apply this exclusion list in its capacity as manager.

Integration of ESG factors in investment processes

In the approach we apply to Rolinco, we combine fundamental analysis with Robeco's proprietary quantitative models and we make use of RobecoSAM sustainability data if this is available for our investment universe. In our fundamental analysis of and engagement with companies, we focus on governance issues. The selected underlying growth trends have a strong ESG component, given that they focus on a future that is based less on the use of natural energy resources.

Risk management

The fund uses financial instruments, the associated risks of which are specified in the financial statements.

Risk management is an integral part of the investment process. Various systems are used to measure and monitor the key risks, including price risk, counterparty risk and liquidity risk. In addition, an independent Group Risk Management department that reports directly to the CFO carries out controls. Financial and operational risks are inherent in asset management. Therefore it is very important to have a procedure for controlling these risks embedded in the company's day-to-day operations.

At Robeco, management holds overall responsibility for risk management, as part of its daily activities. The second line of responsibility lies with the Group Compliance and Group Risk Management departments, which develop and maintain policy, methods and systems that enable management to fulfill its responsibilities in terms of risk control. The Group Internal Audit department carries out audits to check the level of internal control. The Risk Management Committee makes policy decisions on risk management and monitors whether risks remain within the set limits.

The Robeco Group uses a risk-management framework (Robeco Control Framework) that supports the effective control of 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. The risks, procedures and measures are all actively monitored.

Robeco constantly seeks opportunities to simplify processes and reduce complexity in order to mitigate operational risks. A number of major projects to reduce IT-related complexity were completed in 2014.

Specific attention is paid to the continuity of critical operational processes. To this end, the Robeco Group has taken measures to minimize as far as possible any damage that may result from an interruption of its services. The Business Continuity Management (BCM) process has established a solid crisis organization and BCM policy with guidelines based on ISO 22301 to ensure that critical processes and services are maintained in the event of a crisis. The BCM provisions and plans are regularly evaluated by performing a range of tests, including crisis simulations and technical relocation tests.

The Robeco Group has improved its processes and methods for measuring and controlling risk in a number of areas.

In the field of market risk, the methodology for evaluating the predictive powers of the key market risk criteria has been improved. By regularly evaluating these measures and where necessary improving them, market risks can be even more effectively measured and monitored. In addition, a new type of market risk report has been introduced at individual fund level, which makes it possible to better analyze the investment funds' market risk figures.

Group Risk Management has also improved the methodology for measuring and controlling liquidity risk. As a result, the Robeco Group is better able to gain insight into the risks that arise through a combination of the exit risk and liquidity risk relating to financial instruments.

The Robeco Group also continuously strives to further minimize the consequences the possible bankruptcy of a counterparty would have on the funds. As such, further steps were taken in 2014 to make contractual agreements with almost all of the counterparties on the exchange of collateral.

Further information on the specific risks of the fund can be found in the Notes to the balance sheet on pages 17 through 19.

Applicable new legislation

New legislation can affect Robeco funds. This applies particularly for the upcoming amendment to the European Investment Institutions Directive for collective investment in securities (UCITS Directive). These amended guidelines, also referred to as the UCITS V, will come into effect on 31 March 2016. The two most important elements of the UCITS V that will affect Robeco funds are:

1. Remuneration: The UCITS V includes 17 principles covering the remuneration policy of fund managers. These principles correspond to a large extent with the existing principles for remuneration policies under the AIFM Directive.
2. Custodian Under UCITS V, far more stringent requirements will be placed on custodians. All banks and other parties that have specifically received a license for this (including investment institutions) may act as custodians. Detailed conditions have been drawn up with which the custodian must comply when implementing its custodial tasks. Experience with the AIFM Directive, where a similar provision applies, have demonstrated that regulators can be critical about the content of these custodial agreements. Furthermore, under the UCITS V strict conditions are placed on the outsourcing of activities by the custodian and the related responsibility and liability.

In January 2015, a project group was set up at Robeco with the objective of ensuring that the company is completely compliant with the UCITS V by the time it becomes effective.

Statement of operational management

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

Activities

We have assessed several aspects of operational management throughout the past financial year. In our assessment we noted nothing that would lead us to conclude that the description of the structural aspects of operational management within the meaning of Article 121 of the BGfo failed to meet the requirements as specified in the Wft and related regulations. On the basis of this we, as directors of Robeco Institutional Asset Management B.V., declare that we possess a statement of operational management as defined in article 121 van het BGfo that meets the requirements of the BGfo.

Report on operational management

In our assessment we noted nothing that would lead us to conclude that operational management does not function as described in this statement. We therefore declare with reasonable assurance that operational management has been effective and has functioned as described throughout the reporting year.

Fund Governance

Robeco has its own Principles on Fund Governance. These principles largely correspond to the principles of the Dutch Fund and Asset Management Association (DUFAS). The objective of the Principles is to give more detailed guidelines for the organizational structure and working methods of fund managers or independent investment institutions and to provide guarantees for integrity in the fund's activities and ensure the careful provision of services. Group Compliance is the Robeco department that ensures that the Principles are constantly monitored. Once every three years Robeco's Group Internal Audit carries out an audit of the Fund Governance as structured and implemented at Robeco, and of its compliance with the DUFAS Principles on Fund Governance. The latest audit was in July 2014. As a result of this audit, the text of Robeco's Principles on Fund Governance was amended slightly on several points. This text can be found on the Robeco website.

In addition, one of the Robeco Groep N.V. Supervisory Board's three Committees (the Investment Committee) focuses particularly on funds from the whole Robeco Groep. These meetings were attended by the members of the Management Board of Robeco Groep N.V. and representatives from the investment departments. The product range, profitability of the products, the implemented investment policy and the fund performance were all discussed. During these discussions, comparisons were also made between the performance and the set performance targets and ratings, such as those of Morningstar.

The Audit & Risk Committee of the Robeco Groep N.V. Supervisory Board discusses issues relating to compliance and risk management, in the presence of members of the Robeco Groep N.V. Management Board, the heads of the Group Internal Audit, Group Compliance and Group Risk Management departments and representatives from the independent auditor. In these meetings various elements are covered including reported incidents and the measures taken to handle these, and Group Compliance reports on active and passive breaches relating to investment guidelines if these have occurred.

Both Committees are made up of seven members, six of whom are independent (from the shareholders).

This ensures that developments relating to Robeco Groep funds are brought to the attention of the Supervisory Board, which is responsible for the supervision of the Robeco Groep.

Rotterdam, 10 March 2015

The Management Board

Annual financial statements

Balance sheet

before profit appropriation, EUR x thousand		31 December 2014	31 December 2013
ASSETS			
Investments			
<i>Financial investments</i>			
Equities	1	639,279	623,859
Investments in Robeco Group mutual funds	2	–	28,561
Derivatives	3,15	171	643
Total investments		639,450	653,063
Accounts receivable			
Dividends receivable	4	274	233
Receivables on securities transactions		–	6,364
Amounts owed by affiliated companies	5	118	168
Other receivables	6	1,684	1,447
Receivables on collateral provided	7	670	–
		2,746	8,212
Other assets			
Cash and cash equivalents	8	14,655	11,368
LIABILITIES			
Investments			
Derivatives	3,15	1,063	–
Accounts payable			
Payable on securities transactions		–	2,611
Payable to credit institutions	9	–	1,397
Payable to affiliated companies	10	523	538
Payable on collateral received		–	600
Other liabilities	11	1,817	5,772
		2,340	10,918
Accounts receivable and other assets less accounts payable		15,061	8,662
Assets minus liabilities investments minus accounts payable		653,448	661,725
Composition of shareholders' equity			
Issued capital	13	21,521	24,831
Other reserves	13	550,066	476,073
Net result	13	75,355	154,120
		646,942	655,024
6½% cumulative preference shares	12,13	6,506	6,701
		653,448	661,725
Net asset value Rolinco per share		29.54	26.32
Net asset value Rolinco - EUR G per share		30.60	27.13

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

Profit and loss account

EUR x thousand		2014	2013
Investment income	16	9,413	1,174
Changes in value			
Unrealized	1,2,3	18,692	233,128
Realized	1,2,3	53,155	-74,170
		81,260	160,132
Costs	17		
Management costs	18	4,840	5,025
Service fee	18	764	757
Other costs	20	301	230
		5,905	6,012
Net result		75,355	154,120

Cash-flow summary

Indirect method, EUR x thousand		2014	2013
Cash flow from investment activities			
Net result	1,2,3	75,355	154,120
Realized and unrealized results	1,2,3	-71,847	-158,958
Purchase of investments	1,2,3	-264,969	-651,556
Sale of investments	1,2,3	351,125	751,847
Increase (-)/decrease (+) accounts receivable	4,5,6,7	5,282	-7,244
Increase (+)/decrease (-) accounts payable	10,11	-3,252	1,097
		91,694	89,306
Cash flow from financing activities			
Received for shares subscribed	13	288,648	57,123
Paid for repurchase of own shares	13	-371,564	-160,387
Repurchase 6.5% cumulative preference shares	12,13	-190	-290
Dividend paid out on cumulative preference shares	12,13	-526	-332
Increase (-)/decrease (+) accounts receivable	6	184	-349
Increase (+)/decrease (-) accounts payable	11	-3,929	3,564
		-87,377	-100,671
Net cash flow		4,317	-11,365
Currency and cash revaluation		367	1,300
Increase (+)/decrease (-) cash		4,684	-10,065
Cash at opening date	8	11,368	20,545
Accounts payable to credit institutions at opening date	9	-1,397	-509
Total cash at opening date		9,971	20,036
Cash at closing date	8	14,655	11,368
Accounts payable to credit institutions at closing date	9	-	-1,397
Total cash at closing date		14,655	9,971

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

Notes

General

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

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

Share class A: Rolinco

Share class B: Rolinco – EUR G.

Change in presentation

As a result of the revised directive of the Netherlands Authority for the Financial Markets (AFM) the presentation of the changes in shareholders' equity have been brought into line with the capital structure of the fund, having different share classes.

This change in the way that it is presented has no effect on the net result and the assets of the fund.

Merger of RIAM, Robeco Securities Lending B.V. and Robeco Direct N.V.

On 2 July 2014, Robeco Institutional Asset Management B.V. (RIAM) was merged with Robeco Securities Lending B.V. (RSL) and Robeco Direct N.V. (RD). RIAM will continue with the activities of both RSL and RD. These latter companies ceased to exist on the same date.

Risks relating to financial instruments

Investment risk

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

Market risk

Market risk can be divided into three types: price risk, concentration risk and currency 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, concentration risk and currency 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.

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. For further quantitative information about the currency risk, please refer to the spread across currencies in the Spread of net assets, which is part of the Notes section on page 28.

Concentration risk

Based on its investment policy, the fund may invest in financial instruments from issuing institutions that (mainly) operate within the same sector or region, or in the same market. In the case of concentrated investment portfolios events within the sectors, regions or markets in which they invest have a more pronounced effect on the fund assets than in less concentrated investment portfolios. Concentration risks can be limited by applying relative or absolute country or sector concentration limits. For further quantitative information about the concentration risk, please refer to the spread across countries and sectors in the Spread of net assets, which is part of the Notes section on page 28.

Counterparty risk

Counterparty risk is a circumstantial form of risk that is a consequence of the implemented investment policy. It occurs when a counterparty of the fund fails to fulfill its financial obligations arising from financial transactions with the fund. This risk is limited as much as possible by taking every possible care in the selection of counterparties. In selecting counterparties the assessments of independent rating bureaus are taken into account, as are other relevant indicators. Wherever it is customary in the market, the fund will demand and obtain collateral in order to mitigate counterparty risk. In the table below a figure that best represents the maximum credit risk is indicated.

Counterparty risk				
	31 December 2014		31 December 2013	
	EUR x thousand	In % of net assets	EUR x thousand	In % of net assets
Unrealized profit on derivatives	171	0.03	643	0.10
Accounts receivable	2,746	0.42	8,212	1.24
Cash and cash equivalents	14,655	2.24	11,368	1.72
Total	17,572	2.69	20,223	3.06

In the calculation of the total credit risk any collateral received is not taken into account. Counterparty risk is contained by applying limits on the exposure per counterparty as a percentage of the fund assets. As of the balance sheet date the fund's exposure to any single counterparty did not exceed 5% of the total assets.

Risk of lending financial instruments

In the case of securities-lending transactions, collateral is requested and obtained for those financial instruments that are lent. In the case of securities-lending transactions, the fund runs a specific type of counterparty risk: that the borrower cannot comply with its 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.

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

The fund only accepts collateral from OECD countries in the form of:

- government bonds with a minimum credit rating of BBB-
- the bonds of supranational bodies with a minimum credit rating of BBB-
- stocks listed on the main indexes of stock markets in OECD countries
- cash (CAD, CHF, EUR, GBP, JPY of USD)

In addition, concentration limits are also applied to collateral to restrict concentration risks in the collateral and there are also liquidity criteria to contain the liquidity risks in collateral. Finally, depending on the type of lending transaction and the type of collateral, we may request collateral with a premium over the value of the lending transaction. This limits the negative effects of price risks in the collateral.

As of balance-sheet date, the fund had received collateral ensuing from securities-lending transactions. More information can be found in the Notes to the balance sheet.

Liquidity risk

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

Entry and exit risks

Entry and exits risks occur when the fund's value is negatively affected by the entry or exist of one or more clients, which has negative consequences for existing clients. The extent to which the value of the fund can be negatively affected depends on the liquidity of the financial instruments in the portfolio, and on the concentration of clients. Entry and exit risks are managed by measuring client concentrations in the fund's assets.

Liquidity risk of financial instruments

The actual buying and selling prices of financial instruments in which the fund invests partly depend upon the liquidity of the financial instruments in question. It is possible that a position taken on behalf of the fund cannot be quickly liquidated at a reasonable price due to a lack of liquidity in the market in terms of supply and demand. The fund minimizes this risk by mainly investing in financial instruments that are tradable on a daily basis. Moreover liquidity risks of financial instruments are contained using limits on the non-liquid portion of the securities portfolio.

Manager

Robeco Institutional Asset Management B.V. ('RIAM') manages the fund. In this capacity RIAM handles asset management, administration, marketing and distribution of the fund. Up to 22 July 2014, RIAM was licensed by the Netherlands Authority for the Financial Markets (the 'AFM') as referred to in Article 2:67, Paragraph 2 and Article 2:96 of the Wft, and as of this same date automatically received an AIFM license (Article 2:65 Wft new). RIAM also has a license within the meaning of Article 2:69b of the Wft and falls under the supervision of the AFM. RIAM has listed the fund with AFM. RIAM is a 100% subsidiary of Robeco Groep N.V. Since 1 July 2013, Robeco Group N.V., has formed part of ORIX Corporation.

Affiliated companies

The fund and the manager may utilize the services of and carry out transactions with parties affiliated to the fund as referred to in the BGfo, including Robeco Securities Lending B.V. (up to 2 July 2014), Robeco Direct N.V. (up to 2 July 2014), Robeco Nederland B.V., up to 1 July 2013 the Rabobank Group and from 1 July 2013 ORIX Corporation. The services entail the execution of tasks that have been outsourced to these companies such as (1) securities lending, (2) hiring temporary staff and (3) issuance and repurchase of the fund's shares. Transactions that can be carried out with affiliated parties include the following: treasury management, derivatives transactions, custody of financial instruments, 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.

Accounting principles

General

Unless stated otherwise, items shown in the annual financial statements are included at nominal value and expressed in thousands of euros.

Liquidity of ordinary shares

The fund is an open-end investment company, meaning that, barring exceptional circumstances, it issues and repurchases ordinary shares on a daily basis at prices approximating net asset value, augmented or reduced by a limited surcharge or discount. The only purpose of this surcharge or discount is to cover the costs made by the fund related to the entry and exit of investors. The maximum current surcharge or discount is 0.35%. Any surplus or deficit accrues or is charged to the fund.

Financial investments

Financial investments are classified as trading portfolio and are valued at fair value, unless stated otherwise. The fair value of stocks and investments in Robeco Group mutual funds is determined on the basis of market prices and other market quotations at closing date. For derivatives and futures, the value is based on the market price and other market quotations at closing date. For forward exchange contracts, 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 selling price, as appropriate, and are reported as part of the changes in value. The transaction date of an investment determines its inclusion in the Balance sheet.

Presentation of derivatives

The market value of derivatives is reported in the Balance sheet. The presentation of the fair value is based on the liabilities and receivables per contract. The receivables are reported under financial investments and the liabilities are reported under accounts payable. The value of the derivatives' underlying instruments is not included in the balance sheet. If applicable these are explained under the note Derivative exposure..

Foreign currencies

Transactions in currencies other than the euro are converted into euros at the exchange rates valid at the time. Assets and liabilities expressed in other currencies are converted into euros at the exchange rate prevailing at balance-sheet date. Any exchange-rate differences arising are accounted for in the profit and loss account.

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 will not be included 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 included in the Balance sheet as, in this case, the economic advantages and disadvantages will be for the account and risk of the Fund.

Principles for determining the result**General**

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

Investment income

Net cash dividends declared during the year under review, the nominal value of stock dividends declared, interest received and paid and proceeds from loan transactions. Accrued interest at balance-sheet date is taken into account.

Changes in value

Realized and unrealized capital gains and losses on securities and currencies are presented under this heading. In addition, the restitution of the management and service fee on investments in funds of the Robeco Group is processed in the changes in value.

Attribution to share classes

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

Notes to the balance sheet

1 Equities

Movements in the stock portfolio

EUR x thousand	2014	2013
Book value (fair value) at opening date	623,859	29,482
Purchases	264,969	602,928
Sales	-320,704	-47,632
Realized and unrealized results:		
Price gains	27,475	54,954
Currencies	43,680	-15,873
Book value (fair value) at closing date	639,279	623,859

The section List of securities contains a breakdown of this portfolio and the distribution of the assets is given under the heading Spread of net assets; both are part of the Notes section. Shares equivalent to the value of EUR 9.7 million (EUR 7.3 million at the end of last year) were lent at balance-sheet date. To cover the risk of non-restitution, adequate collateral with a value of EUR 10.3 million (EUR 6.7 million at the end of last year) was demanded and obtained; this collateral is not included in the Balance sheet.

2 Investments in Robeco Group mutual funds

Movements in investments in Robeco Group mutual funds

EUR x thousand	2014	2013
Book value (fair value) at opening date	28,561	561,718
Purchases	-	48,628
Sales	-28,683	-675,503
Realized and unrealized results:		
Price gains	122	93,718
Currencies	-	-
Book value (fair value) at closing date	0	28,561

Swing pricing

The actual costs of the purchase or sale of assets and investments for a fund may deviate from the most recent available price, or if applicable, net asset value that is used for the calculation of the net asset value per share. This may be the result of levies, costs and differences between purchase and selling prices of the underlying investments (spreads). These costs have a negative impact on a fund's value which is called 'dilution'. In order to limit the dilution effects the management board may adjust the net asset value per share within a certain bandwidth, set at its own discretion. The management board reserves the right to determine under which circumstances they will implement such a dilution adjustment.

3 Derivatives

Movements in derivatives

EUR x thousand	Futures		Forward exchange contracts		Total	
	2014	2013	2014	2013	2014	2013
Book value (fair value) at opening date	0	3,970	643	526	643	4,496
Purchases	0	0	0	0	0	0
Sales	0	-23,784	0	0	0	-23,784
Expirations	0	0	-1,738	-4,928	-1,738	-4,928
Realized and unrealized results	0	19,814	203	5,045	203	24,859
Book value (fair value) at closing date	0	0	-892	643	-892	643

The presentation of derivatives in the Balance sheet is based on the liabilities and receivables per contract. The exposures are disclosed be found on page 24.

Presentation of derivatives in the Balance sheet

EUR x thousand	Under financial investments		Under accounts payable	
	2014	2013	2014	2013
Type of derivative				
Forward exchange contracts	171	643	1,063	0
Total	171	643	1,063	0

4 Dividends receivable

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

5 Amounts owed by affiliated companies

This is income receivable from dividends and ensuing from securities-lending transactions.

6 Other receivables

This includes:

Other receivables		
	2014	2013
Dividend tax to be reclaimed	1,294	274
Receivables on call money	0	600
Other	1	0
Subtotal (investment activities)	1,295	874
Dividend accrued on 6½% cumulative preference shares	220	224
Receivables from issuance of new shares	169	349
Subtotal (financing activities)	389	573
Total	1,684	1,447

7 Receivables on collateral provided

This refers to collateral provided to third parties in the form of cash to cover positions in derivatives.

8 Cash and cash equivalents

This relates to balances in current accounts at banks.

9 Payable to credit institutions

This concerns overdrafts on bank accounts.

10 Payable to affiliated companies

These are liabilities such as the fund's management and service fees.

11 Other liabilities

This includes:

Other liabilities		
	2014	2013
Dividends payable	934	833
Liabilities on call money	0	130
Other	13	–
Subtotal (investment activities)	947	963
Liabilities from repurchasing own shares	870	4,798
6½% convertible bond loan*	9	10
Subtotal (financing activities)	870	4,798
Total	1,817	5,761

* This concerns the part of the 6½% convertible bond loan of EUR 10 thousand (nominal NLG 22,400, previous financial year also NLG 22,400) that is not offered for repayment. On 1 July 2007, the entire loan was made eligible for redemption.

12 6½% cumulative preference shares

At balance-sheet date, 138,539 cumulative preference shares were outstanding. The shares have been included in the balance sheet at their original nominal value of NLG 100, which is equal to EUR 45.38. The nominal value of the shares was originally NLG 100 per share. With the introduction of the euro, these shares were re-denominated to EUR 40 each. These shares give the holder the right to a cumulative preference dividend of EUR 2.95 annually, but do not share in the fund's capital. The shares are listed on Euronext Amsterdam, Euronext Fund Service segment. Since the amendment to the Articles of Association on 14 August 2012, these shares are being redeemed by the fund.

The intrinsic value of a cumulative preference share is determined on the basis of the paid-up amount, with the addition of accrued but not yet payable dividends. As a result, at balance-sheet date, the dividend of EUR 220 thousand accrued on the cumulative preference shares by balance-sheet date was directly payable and to be borne by the ordinary shareholders. In order to correctly present the assets due to ordinary shareholders, this amount has been included in the value of the cumulative preference shares and deducted from the general reserve. Due to this, the change in the balance sheet consists of a decrease due to the purchase of cumulative preference shares for an amount of EUR 190 thousand and a decrease in accrued dividend for an amount of EUR 5 thousand, together amounting to EUR 195 thousand.

13 Shareholders' equity

Composition of and movements in shareholders' equity

EUR x thousand	2014	2013
Issued capital Rolinco		
Situation at opening date	23,080	29,328
Received on shares issued	159	439
Paid for shares repurchased	-12,245	-6,687
Situation at closing date	10,994	23,080
Issued capital Rolinco – EUR G		
Situation at opening date	1,751	–
Received on shares issued	10,470	1,805
Paid for shares repurchased	-1,694	-54
Situation at closing date	10,527	1,751
6½% cumulative preference shares		
Situation at opening date	6,701	6,999
Paid for cumulative preference shares repurchased	-190	-290
Dividend accrued on cumulative preference shares	-5	-8
Situation at closing date	6,506	6,701
Other reserves		
Situation at opening date	476,073	481,085
Received on shares issued	278,019	54,879
Paid for shares repurchased	-357,625	-153,646
Net result from previous financial year	154,120	94,079
Dividend paid out on cumulative preference shares	-526	-332
Dividend accrued on cumulative preference shares	5	8
Situation at closing date	550,066	476,073
Undistributed profit		
Situation at opening date	154,120	94,079
Dividend paid out on cumulative preference shares	-526	-332
Added to reserves	-153,594	-93,747
Net result financial year	75,355	154,120
Situation at closing date	75,355	154,120
Shareholders' equity	653,448	661,725

The company's authorized share capital amounts to EUR 150 million, divided into 129,999,990 ordinary shares and 10 priority shares with a nominal value of EUR 1 each and 500,000 cumulative preference shares with a nominal value of EUR 40 each. The ordinary shares are divided into 60,000,000 Rolinco shares, 60,000,000 Rolinco – EUR G shares and 9,999,990 C shares (not opened in 2014). Fees are not included in the share premium reserve.

Survey of movements in net assets

EUR x thousand	2014	2013
Assets at opening date	661,725	611,491
Company shares issued	288,648	57,123
Company shares repurchased	-371,564	-160,387
6.5% cumulative preference shares repurchased	-190	-290
Situation at closing date	578,619	507,937
Investment income	9,413	1,174
Management costs	-4,840	-5,025
Service fee	-764	-757
Custody costs	-49	-8
Other costs	-252	-222
	3,508	-4,838
Changes in value	71,847	158,958
Net result	75,355	154,120
Dividend paid out on cumulative preference shares	-526	-332
Assets at closing date	653,448	661,725

14 Assets, shares outstanding and net asset value per ordinary share

Assets, shares outstanding and net asset value per ordinary share

	Rolinco		Rolinco - EUR G *		
	31 December 2014	31 December 2013	31 December 2012	31 December 2014	31 December 2013
Assets in EUR x thousand	324.785	607.510	604.492	322.157	47.514
Status of number of shares issued as at the beginning of the financial year	23,080,206	29,327,592	34,182,271	1,751,112	–
Shares issued in financial year	158,548	439,352	294,876	10,470,978	1,804,674
Shares repurchased in financial year	-12,244,903	-6,686,738	-5,149,555	-1,694,436	-53,562
Number of shares outstanding	10,993,851	23,080,206	29,327,592	10,527,654	1,751,112
Net asset value per share in EUR x 1	29.54	26.32	20.61	30.60	27.13
Dividend paid per share during financial year	0.00	0.00	0.00	0.00	0.00

* Concerns the period from 25 September through 31 December 2014.

15 Derivative exposures

Forward exchange contracts

Details of the contracts open at balance-sheet date are given in the table below.

Forward exchange contracts

Purchases		Sales		Expiration date	Unrealized result EUR x 1
Currency	Amount	Currency	Amount		
USD	16,400,000	EUR	13,381,757	12/01/2015	170,907
Total					170,907
EUR	42,017,325	JPY	6,249,898,240	13/01/2015	-1,062,596
Total					-1,062,596

Notes to the profit and loss account

Income

16 Investment income

This includes:

Investment income		
	2014	2013
Net dividend received	8,827	1,169
Interest	9	-3
Revenues from securities lending	577	3
Other income	0	5
Total	9,413	1,174

Costs

17 Ongoing charges

Ongoing charges in %	Rolinco			Rolinco - EUR G		
	2014	Prospectus	2013	2014	Prospectus	2013 ²
Cost item						
Management costs	1.00	1.00	0.80	0.50	0.40	0.40
Service fee	0.12	0.12	0.12	0.12	0.12	0.12
Other costs	0.05	¹	0.00	0.05	¹	0.00
Other costs of investments in Robeco Group mutual funds	0.00		0.03	0.00		0.00
Total	1.17	1.26³	0.95	0.67	0.86³	0.52

¹ The prospectus does not mention a percentage for the other costs. It does mention a maximum percentage of 0.02% for the custody fee. These costs are included in the other costs.

² Concerns the period from 25 September through 31 December 2013. Percentages are annualized

³ This concerns the maximum total consisting of management fee, service fee, broker's commission, fund agent's fee and custody costs.

The percentage of ongoing charges is based on the average total assets per share class. The ongoing charges include all costs charged to the share classes in the reporting period, excluding the costs of transactions in financial instruments and interest charges. Costs relating to issuance and repurchasing of own shares are not included in the ongoing charges either. In addition to the costs charged directly to the result, the ongoing charges include the costs indirectly charged to the result via the investments in Robeco Group funds. That part of the securities-lending income due to RIAM (up to 2 July 2014 Robeco Securities Lending B.V.), as specified in Note 27, is included in the ongoing charges. The management costs cover all costs resulting from the management and marketing of the fund. If the manager outsources its operations to third parties, any costs associated with this will be paid from the management fee. The management costs for the Rolinco share class also include the costs related to registering participants in this share class. The service fee covers the administration costs, the costs of the external auditor, other external advisers, regulators, costs relating to reports required by law, such as the annual and semiannual reports, and the costs relating to the meetings of shareholders. The costs for the external auditor incurred by the fund are paid by RIAM from the service fee. Therefore there are no costs for the external auditor included in the fund's results. Other costs relate to bank charges and the custody fee charged by third parties for the custody of the fund's securities portfolio. The custody fee is EUR 49 thousand (last year EUR 8 thousand). Rolinco N.V. receives full restitution of the management and service fees of investments in Robeco Group mutual funds, so that only the other costs of these investments are included in the ongoing charges. The other costs of investments in Robeco Group mutual funds are custody fee, bank charges, any performance fees and the taxe d'abonnement for Luxembourg funds.

18 Management costs 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 costs and service fee		
In %	Rolinco	Rolinco – EUR G
Management fee	1.00 ¹	0.40
Service fee ²	0.12	0.12

¹ As of 1 January 2014, the management fees of the share class Rolinco were increased from 0.80% to 1.00% and for the share class Rolinco - EUR G from 0.40% to 0.50%, and the performance fee was canceled for both share classes.

² For the share classes, the service fee is 0.12% per year on assets up to EUR 1 billion, 0.10% on assets above EUR 5 billion and 0.08% on assets above EUR 1 billion.

19 Performance fee

Since 1 January 2014, Rolinco N.V. is no longer subject to a performance fee.

20 Other costs

This includes:

Other costs		
	2014	2013
Custody fee	49	8
Bank charges	15	11
Costs relating to the placement and repurchase of own shares	237	211
Total	301	230

21 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.

Transaction costs		
EUR x thousand	2014	2013
Transaction type		
Equities	449	360
Futures	0	52

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

The costs charged by brokers are not necessarily just for the order they have executed, but may also relate to research supplied by the brokers. Robeco only pays for research if this leads to an improvement in the investment decisions made at Robeco. The costs for research can be paid for by the fund through full service fees or commission sharing agreements (CSA).

The breakdown of the transaction costs over the reporting period is as follows.

Break down of equity transaction costs	
EUR x thousand	
Type of Transaction	
Order execution	202
Stamp duty	76
Research paid for via full service	104
Research paid for via CSA	67
Total transaction costs	449

22 Turnover ratio

The turnover ratio for the reporting period was –7% (for the previous reporting period it was 186%). The large decrease in the portfolio turnover rate was due to the change in the investment policy that was implemented in 2013. This ratio 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 ratio is determined by expressing the amount of the turnover as a percentage of the average fund assets. The average assets of the fund are calculated on a daily basis. The amount of the turnover is determined by the sum of the purchases and sales of investments less the sum of issuance and repurchase of own shares.

23 Transactions with affiliated parties

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

Transactions with affiliated parties		
Part of the total volume in %	2014	2013
Transaction type		
Robeco Group mutual funds	0.00	100.0

24 Securities lending

RIAM (Robeco Securities Lending B.V. (RSL) up to 2 July 2014) is the intermediary for all of the fund's securities-lending transactions. As compensation for its services RSL or now RIAM receives a fee of 30% of the gross return on these securities-lending transactions. An external agency periodically assesses whether the agreements between the fund and RSL or RIAM are still in line with the market. The proceeds for the fund over the reporting period were EUR 575 thousand (last year EUR 2 thousand) and for RSL/RIAM EUR 247 thousand (last year EUR 1 thousand).

RSL was a 100% subsidiary of RIAM up to 2 July 2014. On 2 July 2014, Robeco Institutional Asset Management B.V. (RIAM) was merged with Robeco Securities Lending B.V. (RSL) and Robeco Direct N.V. (RD).

25 Personnel costs

The fund does not employ any personnel. Robeco Nederland B.V. is the employer of the staff who work for the (board of) the fund in the Netherlands. The remuneration of these people is paid out of the management fee. Robeco Nederland B.V.'s remuneration policy for fund managers consists of both fixed and variable income. The secondary conditions of employment are in line with what is common practice in the financial-services industry. The variable income offers the fund manager remuneration for his long-term outperformance. The system is related to the outperformance relative to a preset target. The track record over a one-year, three-year and five-year period is taken into account when determining the variable remuneration. In fixing the bonus, the extent to which team and individual qualitative objectives have been achieved and the extent to which the Robeco corporate values are observed are also important. The fund manager's contribution to the organization's targets is also taken into consideration. Good performance means that variable remuneration may be higher than the fixed threshold. If this is the case, variable remuneration will be paid out in phases, spread over four or five years. The deferred amounts will move in line with future operating results. In accordance with the Banking Code and the Regulations for Controlled Remuneration Policies (Regeling Beheerst Beloningsbeleid), variable remuneration is to be approved by the Robeco Supervisory Board. The manager of the fund has held an AIFMD (Alternative Investment Fund Managers Directive) licence since 22 July 2014. The revision of the remuneration policy conform the AIFMD requirements was fully implemented effective 1 January 2015. In the annual report for 2015, for the first time quantitative information will be provided covering the whole financial year.

As a result of the various amendments to RIAM licenses during 2014 and also the mergers of various entities with RIAM, there are no quantitative figures included in this annual report, given that the inclusion of such figures would not give a realistic picture.

As a result of this, we follow the market-wide policy also accepted by the regulators to only provide quantitative information on the complete financial year following the date on which the AIFMD license was obtained (22 July 2014).

Spread of net assets

The spread of net assets has been drawn up according to the investments in stocks and the composition of the investments of Robeco Group mutual funds, taking into account the relative portion of Rolinco N.V. net assets invested in those funds.

Spread of net assets

Across countries and currencies

By country	Across countries				Currencies ¹	
	Equities		Equities + derivatives ¹			
	31/12/2014	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2013
	EUR x thousand	in %	in %	in %	in %	in %
America (54.3%)						
United States	310,395	47.5	53.1	47.5	53.1	53.5
Canada	25,267	3.9	1.4	3.9	1.4	1.4
Brazil	9,974	1.5	–	1.5	–	–
Panama	9,250	1.4	–	1.4	–	–
Europe (25.8%)						
Switzerland	35,918	5.4	4.9	5.4	4.9	4.9
The Netherlands	30,220	4.6	3.5	4.6	3.5	–
France	26,699	4.1	2.0	4.1	2.0	–
Germany	25,179	3.9	4.6	3.9	4.6	–
Sweden	23,397	3.6	3.4	3.6	3.4	–
United Kingdom	11,076	1.7	4.1	1.7	4.1	4.1
Spain	9,523	1.5	1.5	1.5	1.5	–
Italy	6,212	1.0	1.0	1.0	1.0	–
Russia	–	–	1.5	–	1.5	1.5
Eur	–	–	–	–	–	21.6
Asia (16.2%)						
Japan	67,631	10.3	8.0	10.3	8.0	3.7
Hong Kong	20,028	3.1	2.2	3.1	2.2	4.9
China	11,833	1.8	3.1	1.8	3.1	–
South Korea	6,677	1.0	0.9	1.0	0.9	1.0
Taiwan	–	–	0.6	–	0.6	–
India	–	–	0.4	–	0.4	–
Singapore	–	–	0.3	–	0.3	–
Malaysia	–	–	0.2	–	0.2	–
Thailand	–	–	0.2	–	0.2	–
Philippines	–	–	0.1	–	0.1	–
Africa (1.5%)						
South Africa	10,001	1.5	1.5	1.5	1.5	1.5
Other assets and liabilities (2.2%)	14,168	2.2	1.5	2.2	1.5	–
Book value (fair value) at closing date	653,448	100.0	100.0	100.0	100.0	100.0

¹ In addition to investments in equities, the portfolio may include positions in derivatives. The sum of stocks and derivatives reflects the true volume of the investments by country and in total. As at 31 December 2014 the portfolio contained derivatives, in this case forward exchange contracts, as was also the case at 31 December 2013. These contracts have been included in the currency distribution.

By sector

in %	31/12/2014	31/12/2013
Information technology	27.6	22.0
Consumer discretionary	16.1	14.9
Pharmaceutical and health care	14.2	12.4
Financials	13.1	16.8
Industrials	11.9	15.1
Materials	6.5	8.5
Energy	4.6	2.9
Consumer staples	3.8	5.8
Telecom services	–	0.1
Utilities	–	0.0
Other assets and liabilities	2.2	1.5
Total	100.0	100.0

Currency table**Exchange rates**

EUR 1	31/12/2014	31/12/2013
AED	4.4445	5.0612
ARS	10.2425	8.9815
AUD	1.4787	1.5402
BRL	3.2166	3.2510
CAD	1.4016	1.4641
CHF	1.2024	1.2255
CNY	7.5072	8.3420
DKK	7.4464	7.4604
GBP	0.7761	0.8320
HKD	9.3838	10.6843
INR	76.3814	85.2331
JPY	145.0790	144.8300

Exchange rates

EUR 1	31/12/2014	31/12/2013
KRW	1330,0264	1,454.2196
MYR	4.2310	4.1535
PAB	1.2101	1.3780
PHP	54.1286	61.1569
RUB	72.6030	45.2795
SEK	9.4726	8.8500
SGD	1.6035	1.7398
THB	39.8106	45.2794
TWD	38.2400	41.0677
USD	1.2101	1.3780
ZAR	13.9988	14.4323

List of securities

As of 31 December 2014

Market value	Market value		Market value	Market value	
		America (54.3%)	11,209,600	11,209,600	Reed Elsevier NV
EUR	USD	United States (47.5%)			
10,725,920	12,978,900	Visa Inc	EUR	EUR	France (4.1%)
10,172,952	12,309,780	Principal Financial Group Inc	16,172,800	16,172,800	Dassault Systemes
10,929,300	13,225,000	Ameriprise Financial Inc	10,525,933	10,525,933	Eutelsat Communications SA
8,609,933	10,418,450	Palo Alto Networks Inc			
8,795,736	10,643,280	Las Vegas Sands Corp	EUR	EUR	Germany (3.9%)
12,717,772	15,389,140	Google Inc	14,242,800	14,242,800	Fresenius SE & Co KGaA
10,664,741	12,904,870	Thermo Fisher Scientific Inc	10,936,500	10,936,500	Wirecard AG
10,564,266	12,783,290	Monsanto Co			
13,893,310	16,811,600	Cerner Corp	EUR	SEK	Sweden (3.6%)
11,730,920	14,195,000	Quanta Services Inc	13,944,503	132,090,000	Telefonaktiebolaget LM Ericsson
10,658,163	12,896,910	Schlumberger Ltd	9,452,576	89,540,000	Hexagon AB
7,474,418	9,044,420	Illumina Inc			
11,887,476	14,384,440	HCA Holdings Inc	EUR	GBP	United Kingdom (1.7%)
6,519,400	7,888,800	3D Systems Corp	7,256,620	5,631,500	Telecity Group PLC
11,134,573	13,473,390	Citigroup Inc	3,819,381	2,964,031	Oxford Instruments PLC
11,195,570	13,547,200	Express Scripts Holding Co			
8,769,059	10,611,000	Splunk Inc	EUR	EUR	Spain (1.5%)
7,189,149	8,699,230	Facebook Inc	9,522,884	9,522,884	Banco Bilbao Vizcaya Argentaria SA
13,226,809	16,005,100	Apple Inc			
11,435,891	13,838,000	Colgate-Palmolive Co	EUR	EUR	Italy (1.0%)
7,963,183	9,635,850	Halliburton Co	6,211,500	6,211,500	Prysmian SpA
13,667,039	16,537,800	NIKE Inc			
10,171,646	12,308,200	Praxair Inc			Asia (16.2%)
6,690,212	8,095,491	Priceline Group Inc/The	EUR	JPY	Japan (10.3%)
13,233,172	16,012,800	Rockwell Automation Inc	6,984,128	1,013,250,000	Asics Corp
10,505,351	12,712,000	Service Corp International/US	7,025,140	1,019,200,000	Unicharm Corp
16,933,482	20,490,360	Union Pacific Corp	15,958,345	2,315,220,000	Hoya Corp
12,334,466	14,925,320	LyondellBasell Industries NV	10,448,242	1,515,820,000	FANUC Corp
10,600,802	12,827,500	PTC Inc	7,658,933	1,111,150,000	Shimano Inc
			12,610,651	1,829,540,000	Keyence Corp
			6,946,011	1,007,720,000	Olympus Corp
EUR	CAD	Canada (3.9%)			
13,758,482	19,283,200	Sun Life Financial Inc	EUR	HKD	Hong Kong (3.1%)
11,508,544	16,129,800	Enbridge Inc	9,313,483	87,395,400	Samsonite International SA
			10,714,213	100,539,500	AIA Group Ltd
EUR	BRL	Brazil (1.5%)			
9,974,973	32,085,000	Kroton Educacional SA	EUR	HKD	China (1.8%)
			6,653,790	62,437,500	Tencent Holdings Ltd
EUR	USD	Panama (1.4%)	5,179,166	48,600,000	GCL-Poly Energy Holdings Ltd
9,250,130	11,193,120	Copa Holdings SA			
			EUR	KRW	Republic of Korea (1.0%)
EUR	CHF	Europe (25.8%)	6,676,559	8,880,000,000	Amorepacific Corp
		Switzerland (5.4%)			
9,705,394	11,669,280	ABB Ltd			Africa (1.5%)
16,611,303	19,972,600	Roche Holding AG	EUR	ZAR	South Africa (1.5%)
9,601,198	11,544,000	Cie Financiere Richemont SA	10,000,893	140,000,000	Sanlam Ltd
			639,279,489	Total	
EUR	EUR	Netherlands (4.6%)			
9,621,600	9,621,600	Koninklijke DSM NV			
9,388,500	9,388,500	Aegon NV			

Rotterdam, 10 March 2015

The Management Board
Robeco Institutional Asset Management B.V.

Leni M.T. Boeren
Hester W.D.G. Borrie
Hans A.A. Rademaker

Other data

Profit appropriation

According to articles 39 and 40 of the fund's Articles of Association, the profit - after payment of dividend on the priority shares and less any allocations to the reserves deemed desirable by the management board - shall be at the disposal of the General Meeting of Shareholders.

Proposed profit appropriation

The Management Board proposes a dividend for the 2014 financial year of:

- EUR 0.40 per share (last year no dividend) for the Rolinco share class.
- EUR 0.40 per share (last year no dividend) for the Rolinco EUR – G share class.

If this proposal is accepted, the dividend will be payable on 27 May 2015. Rolinco and Rolinco EUR – G share classes will be quoted ex dividend from 4 May 2015.

Shareholders will be offered the opportunity to reinvest the dividend (less dividend tax) in Rolinco and Rolinco – EUR G shares. The price used to calculate this is the transaction price of the shares on the stock market of Euronext Amsterdam, Euronext Fund Service segment, on 22 May 2015. Costs that distributors charge to their customers for this will be borne by the shareholder. In some countries and with some distributors, reinvestment will not be possible for technical reasons.

Special controlling rights in accordance with the Articles of Association

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

Roderick M.S.M. Munsters, chairman
Leni M.T. Boeren
Hester W.D.G. Borrie
Hans A.A. Rademaker
Jurgen B.J. Stegmann

Directors' interests

The table below shows the total personal interests in the investments of the investment institution held by the directors on 1 January 2014 and on 31 December 2014.

Directors' interests		
At 1 January 2014	Description	Quantity
Robeco Capital Growth Funds		
Robeco Asian Stars Equities	Equities	231
At 31 December 2014		
Nil		

Statement concerning the 6½% bond loan originally amounting to NLG 22,670,000 issued by Rolinco N.V., convertible into 6½% cumulative preference shares

In pursuance of article 17 of the trust executed before H. Lambert, civil-law notary in Rotterdam, on 6 June 1967, we declare that from the date of the original contract for the bond loan up to 31 December 2014, 29 bonds of NLG 50,000 nominal value, 7,167 bonds of NLG 1,000 nominal value and 6,654 bonds of NLG 100 nominal value have been converted; that all these bonds were canceled by us; that at 1 July 2007, the total bonds outstanding amounted to NLG 13,387,600; that we have found no circumstances requiring comments or action. Bonds which had not been converted were made eligible for redemption on 1 July 2007. As at 31 December 2014, the total bonds outstanding amounted to NLG 22,400. These bonds have not yet been offered for redemption.

Amsterdam, 31 December 2014
ANT Trust & Corporate Services

Statement of the independent auditor

To: The General Meeting of Shareholders of Rolinco N.V.

Report on the Financial Statements for 2014

Our opinion

We have audited the 2014 financial statements of Rolinco N.V., Rotterdam.

In our opinion, the financial statements give a true and fair view of the financial position of Rolinco N.V. as at 31 December 2014, and of its result for the financial year ending on 31 December 2014 in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act (*Wet op het financieel toezicht [Wft]*).

The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for 2014;
- the explanatory notes that provide an overview of the principles of financial reporting applied, and other items of information.

The basis for our opinion

We conducted our audit pursuant to Dutch law, which also covers the Dutch control standards. Our responsibilities on this basis are described in the section "Our responsibilities for auditing the financial statements".

As required by the Dutch regulations regarding the independence of accountants for audit assignments (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten [ViO]*) and other independence-related rules in the Netherlands relevant to this order, our status is that of an entity independent of Rolinco N.V. We further comply with the Dutch rules of professional conduct and practice for auditors (*Verordening gedrags- en beroepsregels accountants [VGBA]*).

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

Materiality

Misstatements may result from fraud or error and are material if it can reasonably be expected that these, either individually or jointly, can have an effect on the economic decisions made by the users of these financial statements. Materiality affects the nature, timing and extent of our auditing activities and the evaluation of the effect of recognized misstatements on our opinion.

Based on our professional judgment, we have set materiality for the full financial statements at EUR 6,534,000. Shareholders' equity was used as a benchmark to determine materiality (1%). In light of the fact that investors are primarily interested in a fund's asset growth (returns), we consider the capital invested by shareholders to be the most relevant starting point in determining materiality for an investment fund. As a result of value changes in investments, returns are inherently volatile and thus form a less suitable benchmark for materiality. We also take into account actual and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We informed the Supervisory Board of Robeco Groep N.V. that we report to them on any material misstatements in excess of 5% (EUR 327,000) noted during our audit, as well as smaller misstatements that in our opinion are relevant for qualitative reasons.

Key items for our audit

In the key items for our audit, we define those issues that we professionally judge to be most significant in our audit of the financial statements. The key items for our audit were communicated to the Supervisory Board, without being fully representative of all points discussed.

We determined our audit activities relating to these key items within the context of the full audit of the financial statements. Our findings relating to the individual key items must be seen in this context and not as separate opinions on such key items.

Valuation of investments

The investments made by Rolinco N.V. amount to more than 97% of the balance-sheet total.

These investments are valued at their fair value, determined on the basis of prices observed in the market and an estimate by management of the liquidity of the investments. Insofar as the investments are traded regularly, this relates to the closing price on the stock exchange where the investment is traded. Insofar as this concerns investments that are not traded regularly, the Management Board estimates a market value. This results in a certain degree of estimation uncertainty. We therefore consider the correct valuation of these investments to be one of our key auditing items.

Our auditing activities included establishing that the price used for the investments was obtained in accordance with the method identified for the asset class concerned. As a result of Rolinco N.V.'s policy to invest primarily in listed equities, the closing price on the stock exchange can almost always be expected to form the basis for the valuation. We established this i.a. by evaluating the valuations of investments applied, using prices and liquidity observed in the market. We enlisted the services of dedicated valuation specialists for this. In this context we established that all the equity investments per 31 December 2014 can be valued at the closing price on the stock exchange, and verified this via an external information source.

Our evaluation is that the valuation of the investments performed by the Management Board resulted in an acceptable valuation of the investments in the financial statements.

Internal control by the company

Rolinco N.V. has no employees, and its portfolio management, risk management, and financial and investment administration are therefore performed by the Management Board of Robeco Institutional Asset Management B.V. (RIAM). Since Rolinco N.V. is therefore dependent on RIAM for generating financial information and drafting financial statements, we consider this to be one of the key items of our audit.

For our audit we rely on the activities that an independent auditor performs for RIAM on the administrative organization relevant to Rolinco N.V. and RIAM's internal control measures, and the ISAE 3402 type II report drafted specifically for this purpose. Our audit activities included determining the minimum expected control measures and subsequently evaluating the internal control measures described in the controlling auditor's report. We also evaluate the activities carried out by the controlling auditor to test the effective functioning and the results.

Our activities revealed that the internal control measures within the processes applied by RIAM relevant to Rolinco N.V. were sufficiently effective to be used in performing our audit of Rolinco N.V.'s financial statements.

Responsibility of the Management Board and Supervisory Board for the Financial Statements

The Management Board is responsible for the preparation and fair presentation of the financial statements and for the preparation of the annual report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act. Within this context, the Management Board is also responsible for such internal control as it deems necessary to enable the preparation of annual financial statements that are free from material misstatement due to fraud or error.

When drafting the financial statements, the Management Board must assess whether the company is able to maintain continuity in its activities. Pursuant to the reporting system referred to, the Management Board must draft the financial statements on the basis of its assumed continuity, unless it plans to liquidate the company or terminate its business activities, or if termination is the only realistic alternative. In the financial statements, the Management Board must disclose any event or circumstance that could elicit reasonable doubt about the company's ability to maintain continuity in its business activities.

The Supervisory Board is responsible for supervising the process used by the company for its financial reporting.

Our responsibilities for auditing the financial statements

Our responsibility is to plan and perform an audit assignment in such a way that we obtain sufficient and suitable auditing information to give the required opinion.

Our audit is performed with a high but not absolute degree of assurance, so that it is possible that not all errors or instances of fraud will be detected during our audit.

We have performed this audit professionally and critically and, where relevant, applied our professional judgment in accordance with the Dutch auditing standards, ethical specifications and the requirements of independent auditing. Our audit included the following:

- Identifying and assessing the risks of material misstatement in the financial statements due to error or fraud; determining and performing auditing activities in response to these risks; and obtaining audit information that is adequate and suitable to be used as a basis for our opinion. In the case of fraud, there is a greater risk of a material misstatement not being discovered than in the case of errors. Fraud could involve conspiracy, forgery, intentional non-reporting of transactions, intentional misrepresentation or violation of internal control systems.
- Obtaining insight into internal control systems that are relevant to the audit with the aim of selecting audit activities that fit the circumstances. The aim of these activities is not to judge the effectiveness of the entity's internal control.
- Evaluating the suitability of the principles used for financial reporting, and evaluating the fairness of estimates by the Management Board and the information provided on this in the financial statements.
- Establishing that the Management Board's continuity assumption is acceptable. In addition, using the audit information obtained to establish whether there are events or circumstances that could elicit reasonable doubt as to whether the company can maintain continuity in its business activities. If we conclude that there is material uncertainty, we are obliged in our audit statement to highlight the relevant associated information in the financial statements. If offers insufficient explanation, we will be obliged to adjust our statement. Our conclusions are based on the audit information obtained up to the date of our audit statement. However, future events or circumstances can lead to a situation in which a company may no longer be able to maintain its continuity.
- Evaluating the presentation, structure and content of the financial statements and the information provided therein; and
- evaluating whether the financial statements provide an accurate picture of the underlying transactions and events.

We communicate with the Supervisory Board i.a. about the planned scope and timing of the audit, and about significant findings emerging from our audit, including any significant shortcomings in internal control. We confirm to the Supervisory Board that we have observed the relevant ethical standards for auditor independence. We also communicate to the Supervisory Board about any relationships and other matters that could reasonably affect our independence and about any measures in this connection to guarantee our independence.

We determine the key items for our audit of the financial statements on the basis of any matters discussed with the Supervisory Board. We describe these key items in our audit statements, unless statutory and regulatory requirements prohibit this or, in exceptionally rare cases, when non-reporting is in the interest of the public at large.

Statement regarding other statutory and regulatory requirements

Statement regarding the financial statements and other data

On the basis of the statutory requirements pursuant to Part 9 Book 2 of the Dutch Civil Code (relating to our responsibility to report on the financial statements and other data) we declare that:

- our examination to establish whether the financial statements were drafted in accordance with Part 9, Book 2 of the Dutch Civil Code, and whether the other data as required by Part 9 Book 2 of the Dutch Civil Code were added has, to the extent of our competence, brought no shortcomings to light;
- the report of the Management Board is, to the extent of our competence, in accordance with the financial statements.

Appointment

On the basis of the resolution at the General Meeting of Shareholders of 24 April 2014, we have for the first time been appointed external auditor to Rolinco N.V. to perform auditing for the financial year 2014.

Utrecht, 27 March 2015
KPMG Accountants N.V.

W.L.L. Paulissen RA