

**ROBECO**  
The Investment Engineers

**19**

# **Robeco Afrika Fonds N.V.**

**Investment company with variable capital incorporated under Dutch law  
Undertaking for Collective Investment in Transferable Securities  
Chamber of Commerce registration number 24432814**

## **Unaudited Semi-Annual Report 1 January to 30 June 2019**

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# Robeco Afrika Fonds N.V.

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

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## Management board (and manager)

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

## Supervisory directors of RIAM:

Jeroen J.M. Kremers  
Sonja Barendregt-Roojers  
Yoshiko Fujii  
Radboud R.L. Vlaar

## Custodian

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

## Fund manager

Cornelis E. Vlooswijk

## Fund agent and paying agent

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

## Auditor

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

# Report by the manager

## General information

### Legal aspects

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

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

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

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

### Robeco

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

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

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

### Share classes

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

Share class A: Robeco Afrika Fonds

Share class B: Robeco Afrika Fonds - EUR G (opened on 3 October 2013).

The management fee for the Robeco Afrika Fonds - EUR G share class (without distribution fee) is lower than for the Robeco Afrika Fonds share class.

### Attribution to share classes

The administration of the fund is such that attribution of the results to the different share classes takes place on a daily basis and pro rata. Issues and repurchases of own shares are registered per share class. The differences between the various share classes are explained in notes 6, 8 and 11 to the financial statements.

### Tax features

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

### Liquidity of ordinary shares

The fund is an open-end investment company, meaning that, barring exceptional circumstances, it issues and repurchases ordinary shares on a daily basis at prices approximating net asset value, augmented or reduced by a limited surcharge or discount. The only purpose of this surcharge or discount is to cover the costs made by the fund related to the entry and exit of investors. The maximum current surcharge or discount is 1.00%. The surcharges and discounts are recognized in the profit and loss account.

The Robeco Afrika Fonds and the Robeco Afrika Fonds - EUR G share class are listed on Euronext Amsterdam<sup>1</sup>, Euronext Fund Service segment.

<sup>1</sup> Depending on the distributor, investments can be made in Robeco Afrika Fonds or Robeco Afrika Fonds - EUR G.

# Report by the manager (continued)

## General information (continued)

### Key investor information and prospectus

A prospectus and key-investor-information document with information on the fund, the costs and the risks are available for Robeco Afrika Fonds N.V. Both documents can be obtained free of charge from the fund offices or via [www.robeco.com](http://www.robeco.com).

### Information for investors in the respective countries

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

#### Representative and paying agent in Germany

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

#### Financial services in Belgium

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

## Key figures per share class

### Overview 2015-2019

Robeco Afrika Fonds	2019 <sup>1</sup>	2018	2017	2016	2015	Average
<b>Performance in % based on:</b>						
– Market price <sup>2,3</sup>	7.1	-16.0	14.5	8.7	-18.1	-2.2
– Net asset value <sup>2,3</sup>	5.6	-15.7	14.6	6.9	-17.3	-1.9
50% MSCI EFM Africa ex South Africa Index (Net Return) + 50% MSCI South Africa Index (Net Return) <sup>4</sup>	9.6	-14.9	13.4	8.5	-13.0	1.1
Dividend in euros <sup>5</sup>	-	3.60	2.20	3.00 <sup>7</sup>	3.80	
Total net assets <sup>6</sup>	9	9	13	11	15	

Robeco Afrika Fonds - EUR G	2019 <sup>1</sup>	2018	2017	2016	2015	Average
<b>Performance in % based on:</b>						
– Market price <sup>2,3</sup>	7.6	-15.4	15.5	9.7	-17.4	-1.3
– Net asset value <sup>2,3</sup>	6.1	-15.0	15.6	7.9	-16.5	-1.1
50% MSCI EFM Africa ex South Africa Index (Net Return) + 50% MSCI South Africa Index (Net Return) <sup>4</sup>	9.6	-14.9	13.4	8.5	-13.0	1.1
Dividend in euros <sup>5</sup>	-	3.20	3.00	4.00 <sup>7</sup>	3.60	
Total net assets <sup>6</sup>	21	21	26	28	33	

<sup>1</sup> Concerns the period from 1 January through 30 June 2019.

<sup>2</sup> Possible differences between the performance based on market price and on net asset value are caused by the fact that the last market price of the reporting period and the net asset value 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.

<sup>3</sup> Any dividend payments that are distributed in any year are assumed to have been reinvested in the fund.

<sup>4</sup> This concerns a reference index.

<sup>5</sup> The dividend relates to the reporting year mentioned and is distributed in the following year.

<sup>6</sup> In millions of euros.

<sup>7</sup> In order to meet the tax distribution obligation, a revised dividend proposal was submitted to the General Meeting of Shareholders (GMS). This proposal was approved by the GMS.

# Report by the manager (continued)

## General introduction

### Economy

The US is now enjoying the longest post-WW2 economic expansion, recently surpassing the 1991-2001 expansion of the US economy that came to an end by the bursting of the IT bubble. US economic growth in the first quarter remained above trend at a 3.2% pace corrected for inflation. However, the expansion in the global economy at large is losing momentum, with a key institution as the IMF now downgrading global economic growth from 3.6% in 2018 to 3.3% for 2019. Continuing trade tensions between the US and China, credit tightening in China, disruptions in the auto sector in Germany and broad based political uncertainty contributed to a slowdown of the pace of economic activity in the first half of 2019.

A swift and all-encompassing resolution to the trade dispute between the current US administration and China has remained out of sight, though a truce has been struck between the parties involved at the latest G20 meeting in Osaka. Especially the global manufacturing sector struggles as trade tensions and increasing barriers to trade impact global supply chains. World trade activity has shifted into a lower gear as world trade volumes declined compared to the second half of 2018.

In response to weaker macro-economic data and lingering geopolitical tensions, central banks have made a U-turn in their policy stance and shifted their forward guidance to a dovish stance in order to safeguard the expansion. Financial markets are currently expecting the US central bank to cut interest rates by almost 1% over the next 12 months. We believe markets may have priced in too many rate cuts by the Fed as the US domestic economy itself remains fairly robust. However, a continued loss of momentum of global activity could trigger a synchronized policy rate easing effort by major central banks in the second half of 2019.

### Outlook for the equity markets

Equity markets clearly welcomed the dovish turn by central banks, notably the Fed. The MSCI World in euro already generated a 17.4% return in the first half of 2019, well above historical average equity returns on an annual basis. We believe the path for equities in the remainder of the year will prove challenging, despite central banks providing excess liquidity. Turbulence may be ahead, as it remains uncertain whether a substantial trade deal is achievable between the US and China and whether Europe will escape tariffs from the US on its exports. In absence of a deal, political uncertainty will stay elevated and corporate earnings delivery dismal. Actual global earnings expectations by analysts for 2019 are modest at 7.3% (y-o-y). Equity valuations have increased as discount rates have fallen, with the US equity market looking particularly expensive. The US cyclically-adjusted price earnings ratio (CAPE) is now at 30.2, a valuation level only seen in the late 1990's. This is confirmed by other valuation metrics like Tobin's Q (market value divided by replacement value of the firm) and the Buffet indicator (market capitalization S&P500 divided by nominal US GDP), as both indicators are well above historical averages. Despite elevated valuation levels from an absolute point of view, equities are still offering a decent risk premium compared to less risky alternatives like government bonds.

### Outlook for Africa

In South Africa the economy was very weak in the first months of the year. President Ramaphosa was reelected in May and we expect him to boost business confidence by announcing economic reforms while we also expect the anti-corruption drive will start to reap some benefits. Nigeria is growing by a mediocre 2% but with lower uncertainty after reasonably calm elections and we expect a growth uptick in the second half of 2019. Kenya's economy is running well and growth is likely to stay around 6%. In Egypt growth has picked up to 5.5% and we expect that to continue with increasing gas production and tourism further recovering. In Ghana we expect growth to stay very high as we see rising oil production and room for further interest rate cuts. High government debt in Zambia and still no agreement with the International Monetary Fund remains a worry for the second half of 2019 though it is still possible for the government to solve this and put Zambia back on a high-growth path. Botswana, Morocco and Mauritius are relatively well developed countries and we expect them to continue growing at a rate of 3-4%.

## Investment policy

### Introduction

Traditional problems in Africa, such as the poor business climate, political instability and low productivity growth are gradually decreasing. Laws and regulations have been further developed and compliance levels are improving, which are important preconditions for long-term investment by entrepreneurs. The portfolio includes very liquid stocks listed in South Africa or London, many quite liquid stocks listed in Egypt, Nigeria and Kenya and many small positions in less liquid (but in our opinion very attractive) small cap stocks listed in various African countries. With the latter category we aim to achieve outperformance by investing early in stocks that are overlooked by most other investors.

The funds aims to benefit from Robeco's expertise in the various sectors and countries in which investments are made. In general, investments will be made in listed shares, although the fund may invest up to 10% of its total assets in unlisted shares.

# Report by the manager (continued)

## Investment policy (continued)

### Investment objective

The objective of the fund is to offer access to the most attractive stocks of companies domiciled on the African continent or that make most of their sales and/or earnings in this region. The fund's index consists of 50% MSCI South Africa (Net Return) + 50% MSCI EFM Africa ex South Africa (Net Return).

### Implementation of the investment policy

Country allocation is the first step of the investment policy. It is based on an analysis of macro-economic and political variables but also takes stock-market valuation, expected earnings growth and liquidity into account. After this, the most attractive stocks are selected in each country. This is done based on fundamental analysis of the business and the valuation of the stock. The policy to keep trading volumes low was maintained in light of the high transaction costs. The daily inflows/outflows were used to reposition the portfolio.

The fund remained underweight (versus the index) in South Africa because we saw more earnings growth potential elsewhere and stocks in South Africa were more expensive than stocks elsewhere in Africa. This contributed negatively to performance as South Africa outperformed most other African countries, but stock selection was positive. We moved from neutral to a small overweight in Nigeria. After calm elections there is less risk while Nigerian banks are still very cheap. Nigeria lagged other African markets and hence we lost slightly on country allocation but this was more than compensated by positive stock selection. The fund remained overweight in Kenya because of solid economic growth while valuation of stocks remained low. This contributed positively as Kenya outperformed but stock selection was detracting over the reporting period. We remained underweight Egypt as its biggest listed bank is relatively expensive in an African context. That bank performed well and this caused negative country allocation and stock selection results.

### Currency policy

The euro is the base currency. The fund may use forward exchange transactions to adjust currency positioning according to the prospectus. However to prevent costs related to currency hedging the view on currencies is integrated in country allocation. Currency risk management is part of the total risk management of the fund. For further quantitative information on the currency risk, we refer to the information on currency risk provided on page 15.

### Policy on derivatives

The prospectus permits the use of derivatives, but due to the cost of this, they will only be used in exceptional circumstances. This might involve large inflows or outflows to the fund at the point at which a number of key markets are closed. Using derivatives, exposure to equity markets can be bought or sold to avoid the fund gaining an excessively large or small exposure to equity markets.

## Investment result

### Investment result per share class

Share class	Price in EUR x 1 30/06/2019	Price in EUR x 1 31/12/2018	Dividend paid June 2019 <sup>1</sup>	Investment result reporting period in % <sup>2</sup>
<i>Robeco Afrika Fonds</i>			3.60	
– Market price	106.82	100.80		6.9
– Net asset value	105.77	102.13		5.4
<i>Robeco Afrika Fonds - EUR G</i>			3.20	
– Market price	88.29	83.16		7.6
– Net asset value	87.42	84.26		6.1

<sup>1</sup> Ex-date

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

Compared to the reference index, which is comprised of 50% MSCI South Africa (Net Return) + 50% MSCI EFM Africa excluding South Africa (Net Return), with yearly re-balancing on 1 February, the A share and G share of the fund underperformed by 3.2% and 3.0% (based on the gross return) respectively. The most important reason for the underperformance was exposure to poorly performing countries not part of the reference index: Zambia and to a lesser extent Ghana and Botswana. The underweight in well-performing Commercial International Bank (Egypt), Naspers (a forced underweight as we can't structurally hold more than 10% due to UCITS requirements) and South African gold miners also detracted from performance.



# Report by the manager (continued)

## Investment result (continued)

### Return and risk

The investment result is important, but risk management is also vital. In terms of concentration risk, the fund follows the UCITS guidelines, which dictate that an individual share may not structurally make up more than 10% of the fund. Furthermore, the fund managers try to spread the country weights across many African countries, insofar as it is possible to do this using shares that are considered attractive. With holdings in eleven African countries, economic exposure to many other countries and around 90 individual stocks, the fund is more diversified than most other Africa funds in terms of country risk and individual company risk. The fund managers also factor in the liquidity of the portfolio so positions can be sold or reduced easily and without prohibitive costs in case of sharp outflows from the fund. Since the founding of the fund in June 2008, the fund has never had a problem generating cash for major outflows. This is largely due to the portfolio being invested in South Africa, while the markets of Egypt, Kenya and Nigeria usually also show good liquidity levels. The portfolio's beta versus the reference index was 0.86 in the last twelve months and 0.85 on average over the last three years. In general, a portfolio with a beta of less than 1 rises less than the market in a rising market and declines less than the market in a declining market. The fund does not have a specific beta target; the portfolio's beta is a result of the stocks selected. The fund has a very long investment horizon (more than five years). We buy equities that we expect to outperform the market over a five year horizon. To keep transaction costs low, the fund primarily uses the inflows and outflows of the fund to reposition the portfolio.

### Remuneration policy

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

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

### Responsibility for the remuneration policy

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

### Fixed remuneration

The fixed salary of each employee is based on his/her role and experience and is in accordance with the RIAM salary ranges, which have also been derived from benchmarks in the investment management sector. The fixed salary is therefore in line with the market and the employees are not dependent on whether or not they receive a variable remuneration.

### Variable remuneration

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

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



# Report by the manager (continued)

## Remuneration policy (continued)

### Identified Staff

RIAM has a specific and more stringent remuneration policy for employees who may have a material impact on the risk profile of the fund. These employees are designated to be 'Identified Staff'. For 2018, in addition to the Management Board, RIAM has designated 94 other employees as Identified Staff, including all senior portfolio managers, senior management and the heads of the control functions (HR, Compliance, Risk Management, Business Control, Internal Audit and Legal). Among other things the performance targets of these employees that are used to determine the award of variable pay are subject to additional risk analyses, both prior to the performance year and at the end when the results are evaluated. In addition, in all cases at least 70% of the payment of variable remuneration granted to these employees will be deferred for a period of four years, and 50% will be converted into hypothetical "Robeco" shares whose value will follow the company's future results.

### Risk control

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

### Annual assessment

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

## Sustainable investing

Sustainable investing is one of the main pillars of Robeco's strategy and is firmly anchored in our investment convictions. We are convinced that including ESG<sup>1</sup> factors leads to better investment decisions. We are also convinced that exercising our voting rights and engaging in a dialogue with companies have a positive effect on the investment result and society in general. During H1 2019, we made every effort to further stimulate Sustainable investing at Robeco and beyond.

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

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

### Focus on stewardship

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

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

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

# Report by the manager (continued)

## Sustainable investing (continued)

### Contributing to the Sustainable Development Goals

Robeco is a signatory in the Netherlands to the Sustainable Development Goals Investing Agenda. To help our customers contribute to the objectives, we worked on analyzing the SDG<sup>2</sup> contribution of companies and developing SDG investment solutions. Currently multiple solutions are available both in equity and fixed income.

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

<sup>2</sup> Sustainable Development Goals.

### ESG integration by Robeco

Sustainability can bring about changes in markets, countries and companies in the long term. And since changes affect future performance, ESG factors can in our view add value to our investment process. We therefore look at these factors in the same way as we consider a company's financial position or market momentum. We have research available from leading sustainability experts, including our sister company RobecoSAM. For its analysis, this company makes use of the comprehensive Corporate Sustainability Assessment (CSA), which takes into account general and sector-specific sustainability criteria. The investment analysis focuses on the most material ESG factors and the connection with the financial performance of a company. We can then focus on the most relevant information in performing our investment-analysis and can reach enhanced investment decisions. Besides integrating ESG, Active Ownership and exclusions into all of our investment processes, in 2019 we continued developing new sustainable investment funds with specific sustainable goals and criteria.

### Exclusion

Robeco pursues an exclusion policy for companies that are involved in the production of or trade in controversial weapons such as cluster munition and anti-personnel mines, for tobacco companies and for companies that seriously and habitually violate either the United Nations Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises. Exclusion is the last resort for this last category, which should only be applied after a failed dialogue with the company regarding improvement of its poor ESG practices. Robeco evaluates the practices of excluded companies at least once a year and can at any time decide to include a company in its investment universe again if that company can demonstrate that the desired improvements have been made and the violation of the Global Compact or OECD Guidelines no longer exists. Robeco publishes its exclusion policy and the list of exclusions on its website. In 2019 Robeco developed a palm oil policy. Robeco considers the production of palm oil a process with significant environmental and social risks, leading to breaches of the UN Global Compact when this product is not produced sustainably. Listed companies that have less than 20% of their plantations certified to sustainability standards are excluded from fund investments. Other palm oil producing companies are part of an engagement program where Robeco requires them to make progress towards full RSPO certification and addresses potential controversies and breaches of the UN Global compact.

### Active ownership

Constructive and effective activities under active ownership encourage companies to improve their management of risks and opportunities in the field of ESG. This in turn establishes a better competitive position and improved profitability and moreover has a positive impact on the community. Active ownership involves voting and engagement. Robeco exercises its voting rights for the shares in its investment funds all over the world. In addition, Robeco enters into an active dialogue with the companies in which it invests on questions concerning the environment, society and corporate governance. In 2019, our activities towards achieving active ownership were again awarded the highest score (A+) under the Principles for Responsible Investment (PRI). Robeco has Active Ownership specialists in both Rotterdam and Hong Kong. In 2018 Robeco engaged with over 200 companies on different issues ranging from corporate governance to data privacy to climate change. The primary focus of this engagement is to address strategic ESG issues that might affect value creation in the long term.

### Voting

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

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

# Report by the manager (continued)

## Sustainable investing (continued)

### Voting (continued)

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

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

We voted at 53 shareholder meetings on behalf of Robeco Afrika Fonds N.V. At 39 (74%) of the 53 meetings, we cast at least one vote not in line with management's recommendation.

### Engagement

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

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

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

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

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

For Robeco Afrika Fonds N.V., we entered into a dialogue with 1 company, involving 1 Value Engagement and no Enhanced Engagements.

### Integration of ESG factors in investment processes

Our research shows that companies that score highly on the major ESG factors are ultimately also winners in the stock markets. The way in which Robeco integrates sustainability data in its investment process is designed specifically for the features of each investment strategy. Our quantitative equity strategies use the ESG scores of companies. These scores are based on the information collected using the proprietary questionnaires developed by RobecoSAM. Our other equity strategies integrate ESG factors in the fundamental analysis process. This means not only that we can identify potential reputational and financial risks, we can also identify opportunities for companies developing solutions to the challenges with respect to sustainability.

ESG factors are included in the decision-making at both macro and company level. At macro level, factors such as transparency, strengthening of democratic institutions, political stability and protection of shareholders are assessed and considered in the positioning of a country in the portfolio.

In stock selection, ESG information is included in the company analysis and can affect the valuation of a company. We believe this helps us better understand the current and potential risks and opportunities.

# Report by the manager (continued)

## Sustainable investing (continued)

### Integration of ESG factors in investment processes (continued)

To assess a company's ESG performance, we use the RobecoSAM ESG dashboard, which gathers information about the quality of corporate governance, the environment and social issues from 1,125 companies in emerging markets. These are all of the MSCI Emerging Markets Index companies (including in South Africa and Egypt), plus several key African companies. The outcome of this analysis is integrated in the fundamental research by the team. We use additional qualitative information obtained from RobecoSAM's Corporate Sustainability Assessment and external research conducted by Glass Lewis and Sustainalytics.

All of our investment cases include an ESG chapter, in which we discuss the sustainability profile of each share and how it could influence the valuation. ESG performance is not our only reason for buying or selling a share, but if ESG risks and/or opportunities are significant, the ESG analysis will affect the valuation.

As ESG integration has been part of the fundamental investment processes for a few years, we did not make profound changes to our ESG frameworks in the first half of 2019. However we have continued to enhance our proprietary ESG framework that is used across our Fundamental Equities strategies. In line with other investment teams the emerging markets team has improved the ESG integration process by - in addition to analyzing potential red/green ESG flags and controversy scores - now also focusing on the most material ESG factors in the industry where the company operates. In the first six months of the year the quantification of ESG risks has impacted various investment decisions. One example is the reduction of the position in Sasol, a producer of fuel and chemicals.

Rotterdam, 30 August 2019  
The Manager

# Semi-annual figures

## Balance Sheet

		30/06/2019	31/12/2018
Before profit appropriation	Notes	EUR' 000	EUR' 000
<b>ASSETS</b>			
<b>Investments</b>			
Equities	1	31,007	30,340
<b>Total investments</b>		<b>31,007</b>	<b>30,340</b>
<b>Accounts receivable</b>			
Other receivables, prepayments and accrued income	2	1,404	74
<b>Total accounts receivable</b>		<b>1,404</b>	<b>74</b>
<b>Other assets</b>			
Cash and cash equivalents	3	100	62
<b>LIABILITIES</b>			
<b>Accounts payable</b>			
Other liabilities, accruals and deferred income	4	2,296	93
<b>Total accounts payable</b>		<b>2,296</b>	<b>93</b>
<b>Accounts receivable and other assets less accounts payable</b>		<b>(792)</b>	<b>43</b>
<b>Assets less liabilities</b>		<b>30,215</b>	<b>30,383</b>
<b>Composition of shareholders' equity</b>			
Issued capital	5,6		
Share-premium reserve	5	328	340
Other reserve	5	34,488	35,840
Undistributed earnings	5	(6,871)	40
<b>Shareholders' equity</b>		<b>2,270</b>	<b>(5,837)</b>
<b>Shareholders' equity</b>		<b>30,215</b>	<b>30,383</b>

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

## Semi-annual figures (continued)

### Profit and loss account

	Notes	01/01/2019- 30/06/2019 EUR' 000	01/01/2018- 30/06/2018 EUR' 000
Investment income	7	942	1,138
Unrealized gains	1	3,115	3,551
Unrealized losses	1	(2,142)	(5,103)
Realized gains	1	1,032	2,002
Realized losses	1	(519)	(1,177)
Receipts on surcharges and discounts on issuance and repurchase of own shares		41	98
<b>Total operating income</b>		<b>2,469</b>	<b>509</b>
<b>Costs</b>			
Management fee	8	154	247
Service fee	8	19	25
Other costs	10	26	49
<b>Total operating expenses</b>		<b>199</b>	<b>321</b>
<b>Net result</b>		<b>2,270</b>	<b>188</b>

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

### Cash flow statement

	Notes	01/01/2019- 30/06/2019 EUR' 000	01/01/2018- 30/06/2018 EUR' 000
Cash flow from investment activities		2,511	(561)
Cash flow from financing activities		(2,458)	323
<b>Net cash flow</b>		<b>53</b>	<b>(238)</b>
Currency and cash revaluation		(15)	(27)
<b>Increase (+)/decrease (-) cash</b>	3	<b>38</b>	<b>(265)</b>

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

# Notes

## General

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

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

### **Robeco Afrika Fonds N.V.**

Robeco Afrika Fonds

Robeco Afrika Fonds - EUR G

## Accounting principles

### **General**

The other principles for the valuation of assets, liabilities and determination of the result are unchanged and therefore are in accordance with the presentation in the most recent annual financial statements. Unless stated otherwise, items shown in the semi-annual report are carried at nominal value and expressed in thousands of euros.

### **Attribution to share classes**

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

## Risks relating to financial instruments

### **Investment risk**

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

### **Market risk**

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

#### **Price risk**

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

#### **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.

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

The table below shows the gross and net exposure to the various currencies, including cash, receivables and debts. Further information on the currency policy can be found on page 7.



# Notes (continued)

## Risks relating to financial instruments (continued)

### Market risk (continued)

#### Currency risk (continued)

	30/06/2019	30/06/2019	30/06/2019	31/12/2018
Currency exposure	Gross position EUR' 000	Net position EUR' 000	% of net assets	% of net assets
AUD	82	82	0.27	0.25
BWP	1,091	1,091	3.61	3.90
CAD	104	104	0.34	0.31
EGP	2,467	2,467	8.16	7.33
EUR	201	201	0.67	0.23
GBP	350	350	1.16	2.05
GHS	2,220	2,220	7.35	7.77
KES	3,782	3,782	12.52	12.55
MAD	1,261	1,261	4.17	3.98
MUR	1,138	1,138	3.77	3.73
NGN	3,288	3,288	10.88	12.98
TND	455	455	1.51	1.51
USD	799	799	2.64	1.45
XOF	191	191	0.63	0.60
ZAR	11,910	11,910	39.42	37.85
ZMW	876	876	2.90	3.51
<b>Total</b>	<b>30,215</b>	<b>30,215</b>	<b>100.00</b>	<b>100.00</b>

#### Concentration risk

Based on its investment policy, the fund may invest in financial instruments from issuing institutions that operate 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.

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

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Market risk (continued)

#### Concentration risk (continued)

#### Concentration risk by country

		30/06/2019	30/06/2019	31/12/2018
		Total		
	Equities	exposure	% of	% of
	EUR' 000	EUR' 000	net assets	net assets
Australia	82	82	0.27	0.25
Botswana	1,091	1,091	3.61	3.90
Canada	104	104	0.35	–
Egypt	2,697	2,697	8.93	7.20
Ghana	2,207	2,207	7.30	7.77
Kenya	3,291	3,291	10.89	12.55
Mauritius	1,170	1,170	3.87	3.87
Morocco	1,154	1,154	3.82	3.98
Nigeria	3,083	3,083	10.20	11.87
Portugal	64	64	0.21	0.27
Senegal	176	176	0.58	0.60
South Africa	13,472	13,472	44.59	38.36
Supranational	566	566	1.87	1.47
Togo	177	177	0.59	0.73
Tunisia	455	455	1.51	1.51
United Arab Emirates	84	84	0.28	0.32
United States of America	–	–	–	0.31
Zambia	1,134	1,134	3.75	4.90
<b>Total</b>	<b>31,007</b>	<b>31,007</b>	<b>102.62</b>	<b>99.86</b>

The sector concentrations are shown below.

#### Concentration risk by sector

	30/06/2019	31/12/2018
	% of net assets	% of net assets
Communication Services	16.73	19.78
Consumer Discretionary	14.57	4.12
Consumer Staples	10.16	11.12
Energy	0.71	2.14
Financials	42.39	45.15
Industrials	3.84	3.45
Information Technology	0.82	0.84
Materials	7.47	7.01
Real Estate	4.76	4.84
Utilities	1.17	1.41
Other assets and liabilities	(2.62)	0.14
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

### Counterparty risk

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Counterparty risk (continued)

	30/06/2019		31/12/2018	
	EUR' 000	% of net assets	EUR' 000	% of net assets
Accounts receivable	1,404	4.65	74	0.24
Cash and cash equivalents	100	0.33	62	0.21
<b>Total</b>	<b>1,504</b>	<b>4.98</b>	<b>136</b>	<b>0.45</b>

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

### Risk of lending financial instruments

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

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

The fund accepts collateral in the form of:

- government bonds with a minimum investment grade<sup>1</sup> credit rating;
- bonds of supranational bodies with a minimum investment grade<sup>1</sup> credit rating;
- stocks listed on the main indexes of stock markets in OECD countries;
- stocks listed on the main indexes of stock markets in non-OECD countries;
- cash.

<sup>1</sup> Credit rating designations BBB or above are considered investment grade.

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

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

### Positions lent out

	30/06/2019			31/12/2018		
Type of instrument	Amount in EUR' 000	% of portfolio	% of net assets	Amount in EUR' 000	% of portfolio	% of net assets
Shares lent out	641	2.07	2.12	441	1.45	1.45
<b>Total</b>	<b>641</b>	<b>2.07</b>	<b>2.12</b>	<b>441</b>	<b>1.45</b>	<b>1.45</b>

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

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Risk of lending financial instruments (continued)

#### Counterparties

	Domicile of counterparty	Manner of settlement and clearing	30/06/2019		31/12/2018	
			Positions lent out EUR' 000	Collateral received EUR' 000	Positions lent out EUR' 000	Collateral received EUR' 000
J.P. Morgan	United States	Tripartite <sup>1</sup>	86	92	229	255
Morgan Stanley	United States	Tripartite <sup>1</sup>	343	364	–	–
UBS	Switzerland	Tripartite <sup>1</sup>	212	237	212	237
<b>Total</b>			<b>641</b>	<b>693</b>	<b>441</b>	<b>492</b>

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

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

#### Collateral by type

	Currency	Rating of government bonds	30/06/2019	31/12/2018
			Market value in EUR' 000	Market value in EUR' 000
Government bonds	EUR	Investment grade	108	–
Government bonds	GBP	Investment grade	50	–
Government bonds	USD	Investment grade	268	–
Real-estate funds listed in OECD countries	USD		4	–
Stocks listed in non-OECD countries	HKD		20	–
Stocks listed in non-OECD countries	SGD		4	–
Stocks listed in non-OECD countries	ZAR		–	492
Stocks listed in OECD countries	AUD		5	–
Stocks listed in OECD countries	DKK		3	–
Stocks listed in OECD countries	EUR		21	–
Stocks listed in OECD countries	GBP		94	–
Stocks listed in OECD countries	JPY		99	–
Stocks listed in OECD countries	SEK		1	–
Stocks listed in OECD countries	USD		16	–
<b>Total</b>			<b>693</b>	<b>492</b>

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

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

#### Income from securities lending

	01/01/2019-30/06/2019			01/01/2018-30/06/2018		
	Gross revenues in EUR' 000	Fee paid to J.P. Morgan in EUR' 000	Net fund revenues in EUR' 000	Gross revenues in EUR' 000	Fee paid to RIAM in EUR' 000	Net fund revenues in EUR' 000
Shares lent out	3	–	3	–	–	–
<b>Total</b>	<b>3</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>–</b>

#### Liquidity risk

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

# Notes (continued)

## Risks relating to financial instruments (continued)

### Liquidity risk (continued)

#### Exit risk

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

#### Liquidity risk of financial instruments

The actual buying and selling prices of financial instruments in which the fund invests partly depend upon the liquidity of the financial instruments in question. It is possible that a position taken on behalf of the fund cannot be quickly liquidated at a reasonable price due to a lack of liquidity in the market in terms of supply and demand.

To limit this risk, the fund invests almost entirely in financial instruments that can be traded daily, so the liquidity risk of financial instruments occurring under normal circumstances does not occur. Moreover, liquidity risks of financial instruments are contained using limits on the non-liquid portion of the securities portfolio.

### Manager

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

### Custodian

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

### Liability of the custodian

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

### Affiliated parties

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

## Notes to the balance sheet

### 1. Equities

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

#### Transaction costs

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

	<b>01/01/2019- 30/06/2019</b>	<b>01/01/2018- 30/06/2018</b>
	<b>EUR' 000</b>	<b>EUR' 000</b>
Equities	5	27

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

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

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

These are receivables from declared, not yet received dividends, recoverable tax deducted at source and receivables arising from the issue of own shares and suspense items.

### 3. Cash and cash equivalents

This concerns directly callable credit balances at banks and any money on call.

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

This concerns costs due, payables due to repurchase of own shares, suspense items and management and service fees due.

## Notes to the balance sheet (continued)

### 5. Shareholders' equity

#### Composition and movements in shareholders' equity

	01/01/2019- 30/06/2019 EUR' 000	01/01/2018- 30/06/2018 EUR' 000
<b>Issued capital Robeco Afrika Fonds</b>		
Situation on opening date	93	104
Received on shares issued	6	21
Paid for shares repurchased	(14)	(18)
Situation on closing date	<b>85</b>	<b>107</b>
<b>Issued capital Robeco Afrika Fonds - EUR G</b>		
Situation on opening date	247	253
Received on shares issued	16	39
Paid for shares repurchased	(20)	(28)
Situation on closing date	<b>243</b>	<b>264</b>
<b>Share premium reserve - Robeco Afrika Fonds</b>		
Situation on opening date	13,215	14,332
Received on shares issued	591	2,630
Paid for shares repurchased	(1,501)	(2,321)
Situation on closing date	<b>12,305</b>	<b>14,641</b>
<b>Share premium reserve - Robeco Afrika Fonds - EUR G</b>		
Situation on opening date	22,625	22,860
Received on shares issued	1,360	4,165
Paid for shares repurchased	(1,802)	(2,900)
Situation on closing date	<b>22,183</b>	<b>24,125</b>
<b>Other reserves</b>		
Situation on opening date	40	(4,601)
Addition of result in previous financial year	(6,911)	4,641
Situation on closing date	<b>(6,871)</b>	<b>40</b>
<b>Undistributed earnings</b>		
Situation on opening date	(5,837)	5,688
Robeco Afrika Fonds - dividend paid	(304)	(253)
Robeco Afrika Fonds - EUR G - dividend paid	(770)	(794)
Addition to other reserves	6,911	(4,641)
Net result for financial period	2,270	188
Situation on closing date	<b>2,270</b>	<b>188</b>
<b>Situation on closing date</b>	<b>30,215</b>	<b>39,365</b>

The authorized share capital of EUR 1,500,000 is divided into 1,499,990 ordinary shares with a nominal value of EUR 1 each and 10 priority shares with a nominal value of EUR 1 each. The priority shares have already been issued. The ordinary shares are divided into 749,990 Robeco Afrika Fonds shares and 750,000 Robeco Afrika Fonds - EUR G shares. Fees are not included in the share premium reserve.

#### Special controlling rights under the Articles of Association

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

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



## Notes to the balance sheet (continued)

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

	30/06/2019	30/06/2018	30/06/2017
<b>Robeco Afrika Fonds</b>			
Fund assets in EUR' 000	9,008	12,950	12,125
Situation of number of shares issued at opening date	93,499	104,406	102,229
Shares issued in financial period	5,546	20,138	21,648
Shares repurchased in financial period	(13,875)	(18,035)	(18,618)
Number of shares outstanding	85,170	106,509	105,259
Net asset value per share in EUR	105.77	121.58	115.19
Dividend paid per share during the financial period	3.60	2.20	3.00
<b>Robeco Afrika Fonds - EUR G</b>			
Fund assets in EUR' 000	21,207	26,415	28,784
Situation of number of shares issued at opening date	247,239	252,935	305,025
Shares issued in financial period	15,644	39,095	21,998
Shares repurchased in financial period	(20,283)	(27,545)	(23,678)
Number of shares outstanding	242,600	264,485	303,345
Net asset value per share in EUR	87.42	99.88	94.89
Dividend paid per share during the financial period	3.20	3.00	4.00

## Notes to the profit and loss account

### Income

#### 7. Investment income

This concerns net dividends received and revenue from securities lending minus interest paid.

### Costs

#### 8. Management fee and service fee

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

##### Management fee and service fee specified in the prospectus

	<b>Robeco Afrika Fonds</b>	<b>Robeco Afrika Fonds - EUR G</b>
	<b>%</b>	<b>%</b>
Management fee	1.75	0.88
Service fee <sup>1</sup>	0.12	0.12

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

The management fee cover all current costs resulting from the management and marketing of the fund. If the manager outsources operations to third parties, any costs associated with this will also be paid from the management fee. The management fee for the Robeco Afrika Fonds share class also include the costs related to registering shareholders in this share class.

The service fee paid to RIAM covers the administration costs, the costs of the external auditor, other external advisers, regulators, costs relating to reports required by law, such as the annual and semi-annual reports, and the costs relating to the meetings of shareholders. Costs for the external auditor are not included in the fund's results.

#### 9. Performance fee

Robeco Afrika Fonds N.V. is not subject to a performance fee.

#### 10. Other costs

This concerns:

	<b>01/01/2019- 30/06/2019 EUR' 000</b>	<b>01/01/2018- 30/06/2018 EUR' 000</b>
Custody fee	23	36
Costs for fund agent	2	8
Depository fee	1	5
<b>Total</b>	<b>26</b>	<b>49</b>

#### 11. Ongoing charges

	<b>Robeco Afrika Fonds</b>	<b>Robeco Afrika Fonds</b>	<b>Robeco Afrika Fonds - EUR G</b>	<b>Robeco Afrika Fonds - EUR G</b>
	<b>01/07/2018- 30/06/2019</b>	<b>01/07/2017- 30/06/2018</b>	<b>01/07/2018- 30/06/2019</b>	<b>01/07/2017- 30/06/2018</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Management fee	1.75	1.75	0.88	0.88
Service fee	0.12	0.12	0.12	0.12
Other costs	0.18	0.24	0.18	0.24
Proportion of income on securities lending payable	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2.05</b>	<b>2.11</b>	<b>1.18</b>	<b>1.24</b>

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

The proportion of securities-lending income payable as defined in the Information on the Risks of lending Financial Instruments on page 18 is included separately in the ongoing charges.

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

### 12. Turnover rate

The turnover rate for the reporting period was 10% in the period 1 July 2018 to 30 June 2019 (period 1 July 2017 to 30 June 2018: 22%). This rate shows the rate at which the fund's portfolio is turned over and is a measure of the incurred transaction costs resulting from the portfolio policy pursued and the ensuing investment transactions. The turnover rate is determined by expressing the amount of the turnover as a percentage of the average fund assets. The average fund assets are calculated on a daily basis. The amount of the turnover is determined by the sum of the purchases and sales of investments less the sum of issuance and repurchase of own shares. The sum of issues and repurchases of own participating units is determined as the balance of all issues and repurchases in the fund.

Cash and money-market investments with an original life to maturity of less than one month are not taken into account in the calculation.

### 13. Transactions with affiliated parties

No transactions were effected with affiliated parties during the reporting period other than calculated management costs and the service fee. During the reporting period the fund paid RIAM the following amounts in management fee and service fee:

	<b>Counterparty</b>	<b>01/01/2019- 30/06/2019 EUR' 000</b>	<b>01/01/2018- 30/06/2018 EUR' 000</b>
Management fee	RIAM	154	247
Service fee	RIAM	19	25

### 14. Fiscal status

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

### 15. Register of Companies

The fund has its registered office in Rotterdam and is listed in the Trade Register of the Chamber of Commerce in Rotterdam, under number 24432814.

## Currency table

### Exchange rates

	<b>30/06/2019</b>	<b>31/12/2018</b>
	<b>EUR = 1</b>	<b>EUR = 1</b>
AUD	1.6228	1.6250
BWP	12.0894	12.2690
CAD	1.4881	1.5591
EGP	19.0123	20.4563
GBP	0.8948	0.9015
GHS	6.2065	5.5800
KES	116.3854	116.5176
MAD	10.8969	10.9024
MUR	40.4274	39.2775
NGN	409.9680	415.6441
TND	3.2733	3.4231
USD	1.1388	1.1434
XOF	655.9570	655.9570
ZAR	16.0585	16.4335
ZMW	14.6141	13.6294

# Schedule of Investments

As at 30 June 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Equities				
<i>Australia</i>				
Base Resources Ltd.	AUD	551,510	82	0.27
			82	0.27
<i>Botswana</i>				
Botswana Insurance Holdings Ltd.	BWP	132,218	191	0.63
Letshego Holdings Ltd.	BWP	7,554,100	900	2.98
			1,091	3.61
<i>Canada</i>				
NextSource Materials, Inc.	CAD	1,633,000	104	0.35
			104	0.35
<i>Egypt</i>				
Al Baraka Bank Egypt	EGP	258,299	175	0.58
Alexandria Mineral Oils Co.	EGP	245,145	58	0.19
Cairo Poultry Co.	EGP	633,600	168	0.55
Commercial International Bank Egypt SAE, Reg. S, GDR	USD	85,000	317	1.05
Credit Agricole Egypt SAE	EGP	267,083	660	2.19
Egyptian Financial Group-Hermes Holding Co.	EGP	147,850	133	0.44
ElSewedy Electric Co.	EGP	220,000	165	0.55
Ezz Steel Co. SAE	EGP	180,000	108	0.36
Global Telecom Holding SAE	EGP	1,671,357	422	1.40
Qalaa Holdings SAE	EGP	280,000	57	0.19
Suez Cement Co. SAE	EGP	59,950	26	0.08
Talaat Moustafa Group	EGP	716,625	408	1.35
			2,697	8.93
<i>Ghana</i>				
CAL Bank Ltd.	GHS	5,403,314	905	2.99
FAN Milk Ltd.	GHS	75,000	60	0.20
Ghana Commercial Bank Ltd.	GHS	721,500	573	1.90
Guinness Ghana Breweries Ltd.	GHS	482,632	169	0.56
Societe Generale Ghana Ltd.	GHS	2,193,248	265	0.88
Standard Chartered Bank Ghana Ltd.	GHS	76,216	235	0.77
			2,207	7.30
<i>Kenya</i>				
Barclays Bank of Kenya Ltd.	KES	2,759,200	248	0.82
East African Breweries Ltd.	KES	229,000	393	1.30
Equity Group Holdings plc	KES	1,370,000	458	1.52
KCB Group Ltd.	KES	2,308,560	759	2.51
Kenya Power & Lighting Ltd.	KES	3,150,000	105	0.35
Safaricom plc	KES	5,500,000	1,328	4.39
			3,291	10.89

# Schedule of Investments (continued)

As at 30 June 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Equities (continued)				
<i>Mauritius</i>				
CEC Africa Investments Ltd.	ZMW	3,015,916	39	0.13
MCB Group Ltd.	MUR	120,000	858	2.84
SBM Holdings Ltd.	MUR	1,978,367	273	0.90
			<u>1,170</u>	<u>3.87</u>
<i>Morocco</i>				
Alliances Developpement Immobilier SA	MAD	5,000	32	0.11
Lesieur Cristal	MAD	18,207	276	0.91
Maroc Telecom	MAD	33,000	421	1.39
TOTAL Maroc SA	MAD	3,924	425	1.41
			<u>1,154</u>	<u>3.82</u>
<i>Nigeria</i>				
Access Bank plc	NGN	47,145,968	748	2.47
Dangote Cement plc	NGN	687,500	309	1.02
Dangote Sugar Refinery plc	NGN	9,800,000	271	0.90
Diamond Bank plc, GDR	USD	77,660	46	0.15
FBN Holdings plc	NGN	15,047,634	240	0.80
FCMB Group plc	NGN	36,817,786	146	0.49
Fidelity Bank plc	NGN	48,740,000	202	0.67
Lafarge Africa plc	NGN	2,600,000	76	0.25
UAC of Nigeria plc	NGN	5,580,000	91	0.30
United Bank for Africa plc	NGN	24,862,500	376	1.24
Zenith Bank plc	NGN	11,974,050	578	1.91
			<u>3,083</u>	<u>10.20</u>
<i>Portugal</i>				
Teixeira Duarte SA	EUR	641,397	64	0.21
			<u>64</u>	<u>0.21</u>
<i>Senegal</i>				
Sonatel SA	XOF	7,000	176	0.58
			<u>176</u>	<u>0.58</u>
<i>South Africa</i>				
Absa Group Ltd.	ZAR	33,372	366	1.21
African Rainbow Minerals Ltd.	ZAR	18,000	204	0.68
Airtel Africa plc	ZAR	2,500,000	2,235	7.40
Astral Foods Ltd.	ZAR	19,000	184	0.61
Attacq Ltd., REIT	ZAR	140,000	114	0.38
Barloworld Ltd.	ZAR	24,000	191	0.63
DataTec Ltd.	ZAR	75,000	162	0.54
EOH Holdings Ltd.	ZAR	69,398	85	0.28
Exxaro Resources Ltd.	ZAR	20,000	214	0.71

# Schedule of Investments (continued)

As at 30 June 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Equities (continued)				
<i>South Africa (continued)</i>				
Foschini Group Ltd. (The)	ZAR	14,500	163	0.54
KAP Industrial Holdings Ltd.	ZAR	280,000	98	0.32
Lewis Group Ltd.	ZAR	128,419	267	0.88
Libstar Holdings Ltd.	ZAR	1,040,000	628	2.08
Mondi Ltd.	ZAR	11,000	217	0.72
MTN Group Ltd.	ZAR	45,000	299	0.99
MultiChoice Group Ltd.	ZAR	21,000	175	0.58
Nampak Ltd.	ZAR	110,706	71	0.23
Naspers Ltd. 'N'	ZAR	14,300	3,045	10.08
PSG Group Ltd.	ZAR	19,500	290	0.96
Raubex Group Ltd.	ZAR	370,000	447	1.48
Remgro Ltd.	ZAR	24,000	281	0.93
Rhodes Food Group Pty. Ltd.	ZAR	509,960	534	1.77
SA Corporate Real Estate Ltd., REIT	ZAR	1,880,000	365	1.21
Sasol Ltd.	ZAR	26,500	578	1.91
Sibanye Gold Ltd.	ZAR	382,500	399	1.32
Spur Corp. Ltd.	ZAR	265,455	363	1.20
Standard Bank Group Ltd.	ZAR	37,000	453	1.50
Super Group Ltd.	ZAR	67,433	138	0.46
Transaction Capital Ltd.	ZAR	640,357	796	2.63
Trencor Ltd.	ZAR	45,000	62	0.20
Wilson Bayly Holmes-Ovcon Ltd.	ZAR	7,000	48	0.16
			13,472	44.59
<i>Supranational</i>				
African Export-Import Bank (The), GDR	USD	150,000	566	1.87
			566	1.87
<i>Togo</i>				
Ecobank Transnational, Inc.	NGN	6,607,966	177	0.59
			177	0.59
<i>Tunisia</i>				
Banque de l'Habitat	TND	27,198	99	0.33
Banque de l'Habitat Rights 15/12/2017	TND	22,665	15	0.05
Banque Nationale Agricole	TND	75,000	312	1.03
Banque Nationale Agricole Rights 21/06/2019	TND	75,000	29	0.10
			455	1.51
<i>United Arab Emirates</i>				
Orascom Construction plc, Reg. S	EGP	17,500	84	0.28
			84	0.28



# Schedule of Investments (continued)

As at 30 June 2019

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Equities (continued)				
<i>Zambia</i>				
Copperbelt Energy Corp. plc	ZMW	3,015,916	248	0.82
Lafarge Cement Zambia plc	ZMW	204,286	27	0.09
Real Estate Investments Zambia plc	ZMW	1,310,000	520	1.72
Zambeef Products plc	GBP	3,800,000	297	0.98
Zambia National Commercial Bank plc	ZMW	839,403	42	0.14
			<u>1,134</u>	<u>3.75</u>
Total Equities			<u>31,007</u>	<u>102.62</u>
Total Transferable securities and money market instruments admitted to an official exchange listing			<u>31,007</u>	<u>102.62</u>
<b>Total Investments</b>			<b><u>31,007</u></b>	<b><u>102.62</u></b>
<b>Cash</b>			<b><u>100</u></b>	<b><u>0.33</u></b>
<b>Other Assets/(Liabilities)</b>			<b><u>(892)</u></b>	<b><u>(2.95)</u></b>
<b>Total Net Assets</b>			<b><u>30,215</u></b>	<b><u>100.00</u></b>

Rotterdam, 30 August 2019

The Manager

Robeco Institutional Asset Management B.V.

Policymakers RIAM:

Gilbert O.J.M. Van Hassel

Karin van Baardwijk

Peter J.J. Ferket

Martin O. Nijkamp

Mark C.W. den Hollander

Hans-Christoph von Reiche

Victor Verberk

# Other information

## Directors' interests

On 1 January 2019 and 30 June 2019, the policymakers of the Management Board (also the manager) of the fund had no personal interests in the investments of the fund.

## Auditor

No external audit has been conducted.