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# Robeco (LU) Funds III

Société d'Investissement à Capital Variable  
Incorporated under Luxembourg law  
RCS B 40 490

Semi-annual Report  
1 January – 30 June 2018

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# General Information

## **Robeco (LU) Funds III (formerly Robeco Interest Plus Funds)**

(hereafter 'the Company')

Undertaking for collective investment in transferable securities incorporated as a 'Société d'Investissement à Capital Variable' (SICAV) under Luxembourg law.

### **Register of Companies**

RCS Luxembourg B 40 490

### **Registered Office**

Centre Etoile

11/13, Boulevard de la Foire

L-1528 Luxembourg

Grand Duchy of Luxembourg

### **Board of Directors**

J.H. (Jeroen) van den Akker, Director, Robeco, Rotterdam, The Netherlands

D.R. (Rob) van Bommel, Managing Director, Robeco, Rotterdam, The Netherlands

H.P. (Pierre) de Knijff, Director, Robeco, Rotterdam, The Netherlands

### **Management Company**

Robeco Luxembourg S.A.

5, rue Heienhaff

L-1736 Senningerberg

Grand Duchy of Luxembourg

### **Cabinet de révision agréé (independent auditor)**

KPMG Luxembourg, Société coopérative

39, Avenue John F. Kennedy

L-1855 Luxembourg

Grand Duchy of Luxembourg

### **Depositary, Domiciliary and Paying Agent**

RBC Investor Services Bank S.A.

14, Porte de France

L-4360 Esch-sur-Alzette

Grand Duchy of Luxembourg

### **Administration Agent and Registrar**

Robeco Luxembourg S.A.

Delegated to:

RBC Investor Services Bank S.A.

14, Porte de France

L-4360 Esch-sur-Alzette

Grand Duchy of Luxembourg

### **Investment Adviser**

Robeco Luxembourg S.A.

Delegated to:

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

Weena 850, NL-3014 DA Rotterdam, The Netherlands

## Subscriptions and publications

No subscription can be accepted on the basis of financial reports such as this report. Subscriptions may only be accepted on the basis of the current prospectus, supplemented by the Company's latest annual report, and in the event that the Company's annual report has been published more than eight months previously, its latest semi-annual report. Financial reports, the prospectus and the Key Investor Information Document are available through the website [www.robeco.com](http://www.robeco.com) and may be obtained free of charge at the Company's registered office.

## Representative and paying agent in Switzerland

Robeco Switzerland A.G., Josefstrasse 218, CH-8005 Zurich, is the Company's appointed representative in Switzerland. Copies of the Key Investor Information Document and prospectus, Articles of incorporation, (semi) annual reports and a list of all purchases and sales in the investment portfolio during the reporting period are available from the above address free of charge. UBS Switzerland A.G., Bahnhofstrasse 45, CH-8001 Zurich ((Postal address Badenerstrasse 574, Postfach, CH-8098 Zürich) is the Company's paying agent in Switzerland.

## Information service in Germany

Copies of the articles of incorporation, Key Investor Information Document and prospectus and the annual and semiannual reports may be obtained free of charge from the offices of the information service in Germany: Robeco Deutschland, Taunusanlage 17, D-60325 Frankfurt am Main. The prices at which shares are issued and repurchased are published on [www.robeco.de](http://www.robeco.de). A list of all purchases and sales in the Company's investment portfolio during the reporting period is available at the paying agent/information service in Germany free of charge.

## Language versions

This report is also published in German. Only the English edition is binding.

# Report of the Board of Directors

## General

### Website

An information update on the sub-fund's investment policies, returns and investment portfolio can be found on [www.robeco.com/luxembourg](http://www.robeco.com/luxembourg).

### New sub-funds

Robeco High Yield Bonds Feeder Fund – zero duration was launched on 15 May 2018.

Robeco Financial Institutions Bonds Feeder Fund – zero duration was launched on 24 May 2018.

Robeco Global Credits Feeder Fund – zero duration was launched on 15 May 2018.

### New share classes

#### Activation of share classes

Sub-fund	Share class	Effective
Robeco High Yield Bonds Feeder Fund – zero duration	class DH EUR shares	28/06/2018
Robeco High Yield Bonds Feeder Fund – zero duration	class FH EUR shares	28/06/2018
Robeco High Yield Bonds Feeder Fund – zero duration	class IH EUR shares	28/06/2018
Robeco High Yield Bonds Feeder Fund – zero duration	class BxH AUD shares	28/06/2018
Robeco High Yield Bonds Feeder Fund – zero duration	class BxH USD shares	28/06/2018
Robeco High Yield Bonds Feeder Fund – zero duration	class DH USD shares	28/06/2018
Robeco High Yield Bonds Feeder Fund – zero duration	class IH USD shares	15/05/2018
Robeco Financial Institutions Bonds Feeder Fund – zero duration	class DH EUR shares	28/06/2018
Robeco Financial Institutions Bonds Feeder Fund – zero duration	class FH EUR shares	28/06/2018
Robeco Financial Institutions Bonds Feeder Fund – zero duration	class IH EUR shares	26/04/2018
Robeco Financial Institutions Bonds Feeder Fund – zero duration	class IH USD shares	24/05/2018
Robeco Global Credits Feeder Fund – zero duration	class IH EUR shares	15/05/2018

### Outsourcing part of the operations activities to J.P. Morgan

On 24 January 2018, Robeco announced that it is 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 2017-2021, which envisages further international growth in both investment and client-servicing activities. J.P. Morgan will become Robeco's service provider for fund accounting, operations, custody, depositary, transfer agency and securities lending. In view of this broader Robeco strategy, Robeco Luxembourg S.A. has consequently decided to outsource TA and Administration to J.P. Morgan and Robeco (LU) Funds III has decided that J.P. Morgan will become its depositary and lending agent.

J.P. Morgan, with its global network, will provide operations activities to Robeco in multiple locations and time zones. This will enable a smarter deployment of Robeco's global trading support activities. Utilizing J.P. Morgan's global scale, technology and execution capacity will also increase Robeco's capacity to adapt to a changing market and facilitate the development of more sophisticated instruments and products. This will allow Robeco to continue to provide solutions that are tailored to its clients' needs, now and in the future. In addition, outsourcing will enable Robeco to respond more swiftly to client requests in all the different time zones where the company's clients are located.

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

## General introduction

### Economy

The positive economic picture that began in 2017 was maintained in the first half of 2018. The global economy continued to expand abundantly, contrary to the preceding year with economic growth more clearly concentrated in the developed economies, in particular the United States. The current expansion in the United States is now the second longest in post-war history. Global growth eased slightly from the (very) rapid growth in the second half of 2017, due to a reduction in the volume of global trade and a lower contribution from consumer spending. The emerging markets were the most affected by this. Further increases in industrial capacity utilization, tighter labor markets, rising rents and a strong rally in the oil price put a brake on a further acceleration of economic growth and also generated mild inflationary pressure.

Inflation forecasts rose slightly in the financial markets and are now around levels consistent with the medium to long-term inflation targets of the central banks. Global growth is expected to reach 3.8% in 2018, in line with the previous year.

US economic growth reached 2.6% in real terms in the first quarter of 2018, which is above the balanced long-term trend. Strong growth in investment, partly in response to rising capacity utilization, made an important contribution. Fears that the US economy would overheat were fanned by the combination of a further tightening labor market and the procyclical fiscal policy of the US government. President Trump succeeded in getting one of the largest-ever tax cuts for US business through Congress. Unemployment in the United States has fallen to 4%, and jobs growth is outpacing the number of people looking for work for the first time since 2000, with the difference in the nature of the demand for and supply of work becoming increasingly visible. A stronger dollar and lurking uncertainty regarding the implications of a trade conflict initiated by the White House are, however, reducing the likelihood that the US economy will overheat.

President Trump's proposed policy of repairing alleged imbalances in external trade relations has now turned into a conflict in which the trading partners of the United States are turning to direct retaliation. The end does not appear to be in sight, since trade conflicts normally involve tariff barriers of 30%-50% before a new balance is achieved. Although the conflict is receiving much publicity, President Trump's protectionist policy has not as yet affected the continuing positive sentiment among consumers and producers in the United States. The negative effects of higher trade tariffs would appear at this stage to be mainly affecting economies that are more dependent on exports, especially the emerging markets. A long-lasting trade conflict will, however, have repercussions worldwide, ultimately also for the United States. The US central bank (the Fed) has raised interest rates twice by 0.25% in 2018 and is expected to implement a further two interest rate hikes during the remainder of the year. Inflation in mid-June stood at 2.9%, which is above the Fed's symmetrical inflation target of 2%. The further flattening of the yield curve has fueled the debate about the likelihood of an approaching recession in the United States. The flatter curve is, however, partly technical in nature, due to the effect of the unconventional policy of the central bank on the pricing of long-term bonds.

The economic recovery is also continuing in the Eurozone, with growth in the first quarter of 2.5% annualized. The growth rate, however, eased slightly compared to the second half of 2017, due to a more uncertain geopolitical situation, political concerns and a slowdown in export growth. The threat of a cabinet crisis in Germany, the election of a Euroskeptic government in Italy and the increased complexity of the Brexit process were the prominent issues. Nonetheless, growth in the Eurozone is still robust, driven by rising consumption growth as the negotiating position of employees is improving due to the tighter labor market. Unemployment in the Eurozone has fallen to 8.4%.

The decline in the volume of world trade is affecting Japan as well as Europe. Although economic growth in Japan at 1.3% annualized in the first quarter of 2018 is above the long-term trend, there was a visible decline in the contribution of the export sector to economic growth, while investment actually rose. The largest contributor to global economic growth at the moment is China. The Chinese economy grew by 6.8% annualized, in line with previous quarters. The leading indicators, however, suggest a slowdown in economic growth, partly due to action by the Chinese authorities to limit excessive lending by the banks. We expect the Chinese government to continue to target growth of around 6.5% annualized and will employ monetary stimulation if there is a visible slowing of economic activity.

### **Bond markets outlook**

Volatility in the bond markets in developed countries remained low. After a strong rise in capital market rates in January, the US government 10-year yield moved in a range between 2.7% and 3.1%. The differential between the United States and Europe has, however, widened further: the yield differential between a 10-year US Treasury bond and a 10-year German Bund is now more than 2.5%, a level last seen in 1989. Looking ahead, this investment category is exposed to rising expectations of inflation, the withdrawal of the central banks as buyers in the bond market and an overheating of the economy, but could benefit from an escalation of the trade war between the large economic blocs. The prices of government bonds have been influenced by the central banks in recent years, as a result of which valuations have moved further away from the fundamentals, especially in the German government bond market. The transition from quantitative easing to quantitative tightening that the central banks have initiated could mean a change of perspective for bond investors.

Emerging markets bonds denominated in local currencies have been seriously hampered by heavy declines in exchange rates, fears of trade restrictions from the US and local political instability, for example in Turkey. The coupons on these bonds are attractive, but in view of the proposed interest rate moves by the Fed and the current uncertainty with respect to rising protectionism, the outlook for this asset class in the second half of 2018 is moderate at best.

Continuing cyclical growth in a so far moderate inflation environment is still favorable for corporate bonds, although we are already in a late phase of the credit cycle. Powerful earnings growth is maintaining the ability to service interest costs

for now, but business debt is rising further, especially in the United States. Sentiment among corporate bond investors has also become less positive, due to the continuing high correlation between corporate bond yields and the bond-buying programs of the central banks, which are due to be settled in the near future. Investors also note that the contract terms in the less creditworthy segment of the corporate bond market have become less solid, meaning that investors will have less protection in the event of a default. Valuations in this market have recently become somewhat less favorable, but are still high from a historical perspective, unlike the valuations of high-rated corporate bonds.

## Investment results

### Investment results

	Price in currency x 1 30/06/2018	Price in currency x 1 31/12/2017	Investment result reporting period in %	Investment result 3 years average in %
<b>Robeco QI Long/Short Dynamic Duration</b>				
Class DH EUR shares	105.18	105.68	-0.5	-1.2
Class EH EUR shares <sup>1</sup>	88.77	89.73	-0.5	-1.2
Class FH EUR shares	99.64	99.95	-0.3	-0.8
Class GH EUR shares <sup>1</sup>	94.26	95.26	-0.3	-0.8
Class IH EUR shares	111.93	112.20	-0.2	-0.7
Merril Lynch EUR LIBOR Overnight Index			-0.2	-0.3
Class DH CHF shares	93.09	93.73	-0.7	-1.7
Class IH CHF shares	97.62	98.06	-0.4	-1.2
Merril Lynch CHF LIBOR Overnight Index			-0.4	-0.8
Class FH GBP shares <sup>2</sup>	98.73	98.56	0.2	-0.7
Merril Lynch GBP LIBOR Overnight Index			0.2	0.3
Class DH USD shares	108.95	108.08	0.8	0.4
Class IH USD shares <sup>3</sup>	100.82	99.78	1.0	0.5
Merril Lynch USD LIBOR Overnight Index			0.8	1.1
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>				
Class DH EUR shares <sup>4</sup>	99.72	100.00	-0.3	
Class FH EUR shares <sup>4</sup>	99.73	100.00	-0.3	
Class IH EUR shares <sup>4</sup>	99.73	100.00	-0.3	
Class BxH AUD shares <sup>1,4</sup>	99.82	100.00	-0.2	
Class BxH USD shares <sup>1,4</sup>	99.73	100.00	-0.3	
Class DH USD shares <sup>4</sup>	99.73	100.00	-0.3	
Class IH USD shares <sup>5</sup>	98.84	100.00	-1.2	
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>				
Class DH EUR shares <sup>4</sup>	99.73	100.00	-0.3	
Class FH EUR shares <sup>4</sup>	99.73	100.00	-0.3	
Class IH EUR shares <sup>6</sup>	96.28	100.00	-3.7	
Class IH USD shares <sup>7</sup>	98.55	100.00	-1.4	
<b>Robeco Global Credits Feeder Fund – zero duration</b>				
Class IH EUR shares <sup>5</sup>	99.39	100.00	-0.6	

<sup>1</sup> Assuming reinvestment of the distributed dividend. See Notes on page 25.

<sup>2</sup> Period 17 August 2016 until 30 June 2018.

<sup>3</sup> Period 21 September 2016 until 30 June 2018

<sup>4</sup> Period 28 June 2018 until 30 June 2018.

<sup>5</sup> Period 15 May 2018 until 30 June 2018.

<sup>6</sup> Period 26 April 2018 until 30 June 2018.

<sup>7</sup> Period 24 May 2018 until 30 June 2018.

## Performance analysis

### **Robeco QI Long/Short Dynamic Duration**

The fund was generally positioned for rising bond yields in the first half of 2018, especially in the US. With its short duration positions the fund benefited from the rise in yields in January-February and in April-early May (when the US 10-year yield hit the highest level since 2011), but it was negatively impacted by bond rallies in March and May. In June the fund benefited both from rising yields in the US and from declining yields in Germany and Japan. The fund's active duration positions added a small outperformance (gross of fees) to the index return over the first six months of 2018.

The active duration positioning of the fund is fully driven by our quantitative model. The fund started the reporting period anticipating rising bond yields (hence falling bond prices) in the US, Germany and Japan. Rising inflation pressure, increasing optimism about economic growth and Fed tightening led the model to forecast these higher yields. The fund's duration (interest-rate sensitivity) was minus six year, the maximum short duration position, for most of January and February. In March and early April, the fund briefly moved from short to long duration positions in Germany and Japan, mainly due to weaker growth and an improving trend in bond markets. The short position in the US remained in place due to negative scores for valuation (taking currency hedging costs into account) and monetary policy. The positioning switched back to maximum short duration in May, driven by the economic growth, inflation and trend variables. In June the model shifted again to long duration positions in Germany and Japan, while the short duration position in the US remained in place, largely for the same reasons as in March. At the end of June the fund's overall duration was two years.

### **Robeco High Yield Bonds Feeder Fund – zero duration**

The sub-fund achieved a small negative total return. The fear of rising interest rates led to an underperformance of higher-quality high yield, as these BB-bonds are perceived to be more rate-sensitive. Riskier, low-rated US credits performed well on the perception that the tax stimulus plans in the US will extend the business cycle, and save these more stressed businesses. We prefer to remain invested in high-quality businesses, and prefer European credit because of its more attractive valuations.

With respect to sustainability investing, the sub-fund has integrated ESG factors into its investment processes. The prime goal of integrating ESG factors into our analysis is to strengthen our ability to assess the downside risk of our credit investments. Our analysts include RobecoSAM sustainability data and use external sources to make an ESG assessment as part of their fundamental analysis.

### **Robeco Financial Institutions Bonds Feeder Fund – zero duration**

The sub-fund posted a negative return during the reporting period. The negative return was driven by widening credit spreads. The underlying government bond yields declined, but this was not enough to offset the impact of spread widening. The sub-fund started the year with an overweight beta positioning. The average beta was 1.2, explaining the underperformance of the sub-fund. Issuer selection contributed positively, driven by name selection in Spain in particular. The analysis of ESG factors is integrated into our bottom-up company analyses to strengthen our ability to assess the downside risk of our credit investments. Analysts include RobecoSAM sustainability data and use external sources to make an ESG assessment as part of their fundamental analysis.

### **Robeco Global Credits Feeder Fund – zero duration**

The sub-fund posted a negative return in the first half of 2018. The negative return was driven by widening credit spreads. The underlying government bond yields declined especially in May and June, but this was not enough to offset the impact of spread widening. The sub-fund started the year with an overweight beta positioning, which was reduced during the reporting period. The average beta was below 1. Issuer selection made a neutral to slightly negative contribution, the latter driven by name selection in financials.

The prime goal of integrating ESG factors into our analysis is to strengthen our ability to assess the downside risk of our credit investments. For credits, the ESG analysis is part of the fundamental scoring by the sector analyst. Analysts include RobecoSAM sustainability data and use external sources to make an ESG assessment as part of their fundamental analysis.

## Fund Governance

Robeco has its own Principles on Fund Governance, available through the website. The objective of these 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. Compliance is the division within Robeco, which continuously monitors actual compliance with the principles.



Once every three years Robeco's Internal Audit department carries out an audit of the fund governance as structured and implemented at Robeco.

## Sustainability investing

### Integrated approach

Robeco adopts a holistic approach to integrating sustainability into investment decisions. Sustainability is a long-term driver for change in markets, countries and companies which in turn can impact future performance. From an investment perspective, we believe the inclusion of material sustainability factors strengthens our investment process and leads to better-informed investment decisions. The integration of sustainability factors in our investment strategies is well embedded in the organization. Our portfolio managers and analysts closely cooperate with the engagement specialists from the Governance and Active Ownership and Sustainability Investing Research team. We base our judgments about the sustainability of companies and countries in which we invest on a combination of proprietary sustainability research and research from leading providers including RobecoSAM, Sustainalytics, RepRisk and Glass Lewis. Our research is further enriched with information we derive from our active conversations with companies and countries about their sustainability performance.

### Stewardship Policy

Carrying out stewardship responsibilities is an integral part of Robeco's sustainability investing approach. Robeco has a Stewardship policy in place and is a signatory to different Stewardship Codes including the UK Stewardship Code and the Japanese Stewardship Code. Robeco's stewardship activities are executed within our organization; we do not outsource stewardship activities. Exercising voting rights and engagement are important aspects of our stewardship approach.

### Principles for Responsible Investment (PRI)

Robeco's focus on sustainability investing is underlined by the commitment to the United Nations supported Principles for Responsible Investment (PRI). Robeco was awarded three years in a row with the highest score of the PRI assessment, which confirms the companies' leading position in the field of Sustainability Investing.

### Sustainable Development Goals

On 25 September 2015, the United Nations General Assembly formally adopted the universal, integrated and transformative 2030 Agenda for Sustainable Development, along with a set of 17 Sustainable Development Goals (SDGs). The SDGs build on the success of the Millennium Development Goals and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection. As a signatory of the Dutch SDG Investing Agenda, Robeco is committed to contribute to the SDGs as we consider them as catalytic drivers for positive change. Furthermore Robeco is involved in various initiatives that investigate how the investment industry can contribute to the realization of SDGs.

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 factors<sup>1</sup> into the investment processes.

### French Energy Transition Law

In France a law was introduced to encourage asset owners to integrate climate risk as well as environmental and social dimensions in their public disclosures. The aim of this law is to channel funds to the Energy Transition and Green Growth. Robeco offers in its ESG proposition the option to decarbonize portfolios, measure the impact of this decarbonisation and report on the impact of it, which fully meets the requirements of this law.

### Exercising voting rights

Given the type of investments of the fund, exercising of voting rights is not applicable.

### Engagement

Robeco actively uses its ownership rights to engage with companies on behalf of our clients in a constructive manner. We believe improvements in sustainable corporate behavior can result in an improved risk return profile of our investments. Robeco aims to improve a company's behavior on environmental, social and/or corporate governance (ESG) related issues with the aim of improving the long term performance of the company and ultimately the quality of investments for our clients.

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<sup>1</sup> ESG stands for environmental, social and governance.

Robeco enters into active dialogue with companies about good corporate governance and a socially responsible corporate policy. In our opinion this will increase shareholder value for the investors 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. This enables us to generate value for both the investors and the company.

Robeco also engages with companies that breach the UN Global Compact. The UN Global Compact defines several universal principles with which organizations must comply. These principles are of a general nature and focus on respecting human rights, good working conditions, combating corruption and exercising due care for the environment. If a company structurally breaches one or more of these principles, Robeco starts a dialogue with it. If after three years of dialogue, a company has made insufficient progress in eliminating or mitigating the breach, Robeco can decide to exclude the company from its investment universe.

#### **Exclusions**

Robeco's exclusion policy is based on three main exclusion criteria. Firstly, it excludes companies that are involved in the production of controversial weapons or essential components for such weapons, or that derive income 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 effective since 1 January 2013. Secondly, there is a policy for excluding countries. Robeco considers any country that systematically violates the human rights of its citizens to be controversial. These exclusions relate to investment-related sanctions that are imposed by the UN, US or EU. Thirdly, an unsuccessful dialogue may in time lead to a company's exclusion from the investment universe. In such cases 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. The Executive Committees of RIAM and RobecoSAM have the final authority to exclude companies and countries.

#### **Integrating ESG factors into the investment processes**

With respect to Sustainability investing, the investment universe and the type of investments of the Company are such that it is not feasible to implement the ESG factors into the investment processes.

Luxembourg, August 2018

The Board of Directors

Past performance is no indication of current or future performance. These performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

# Other data

## Savings directive information

Robeco (LU) Funds III is subject to the EU savings directive.

## Stock-exchange listing

Robeco (LU) Funds III DH EUR shares are listed on the Luxembourg Stock Exchange.

## Auditors

No external audit has been conducted.

## Remuneration policy

The fund itself does not employ any personnel and is managed by Robeco Luxembourg S.A. (RoLux). The remuneration for persons working for RoLux comes out of the management fee. RoLux's remuneration policy, which applies to all employees working under its responsibility, complies with the applicable requirements laid down in the European framework documents of the UCITS Directive and the ESMA guidelines for a responsible remuneration policy under the UCITS Directive. The remuneration policy has the following objectives:

- a) To promote that employees act in the clients' interests and do not take any undesired risks.
- b) To promote a healthy corporate culture aimed at realizing sustainable results in accordance with the long-term objectives of RoLux and its stakeholders.
- c) To attract and retain good employees and to reward talent and performance fairly.

RoLux has delegated the portfolio management of the Fund(s) to Robeco Institutional Asset Management B.V. ("RIAM"). RIAM has a license as manager of AIF's and UCITS of the Authority for the Financial Markets (AFM) in the Netherlands. RIAM has a remuneration policy for its employees that as well complies with the European framework documents of the UCITS directive, AIFMD and the ESMA guidelines for a responsible remuneration policy under the UCITS directive and AIFMD. No material changes have been made to the remuneration policy.

### Responsibility for the remuneration policy

RoLux' remuneration Policy is determined and applied by and on behalf of RoLux with the approval of its shareholder, the (Board of) Robeco Holding B.V. For each review the (Board of) Robeco Holding B.V. shall obtain prior advice from the Supervisory Board of Robeco Institutional Asset management B.V., which is also responsible for the oversight over RoLux's operations, including the remuneration of its staff. In the application and evaluation of the remuneration policy, RoLux occasionally makes use of the services of various external advisers.

### Fixed salary

Each individual employee's fixed salary is determined on the basis of function and experience according to RoLux' salary ranges and in reference to the benchmarks of the investment management industry in the relevant region. The fixed salary is deemed adequate remuneration for the employee to properly execute his or her responsibilities, regardless of whether or not variable remuneration is received.

### Variable remuneration

The total available variable remuneration pool is established annually by and on behalf of RoLux and approved by the (remuneration committee of the) Supervisory Board of Robeco. With respect to Directors of RoLux, it is noted that the shareholder of RoLux determines their remuneration.

The total budget is based, in principle, on a percentage of the operating result. To ensure that the total variable remuneration is an accurate representation of performance and does not adversely affect RoLux' financial situation, the total amount of variable remuneration is determined taking the following factors into account:

1. The financial result compared to the budgeted result and long-term objectives;
2. The required risk-minimization measures and the measurable risks.

To the extent the variable remuneration pool allows, each employee's variable remuneration will be determined at the reasonable discretion of RoLux, taking into account the behavior, individual and team and/or department performance, assessed on the basis of pre-agreed financial and non-financial performance factors (business objectives). If this performance-related variable remuneration (partly) exceeds the fixed threshold amount, 40% of the payment will be

deferred for a period of at least three years. The deferred parts will be converted into hypothetical 'Robeco' shares, the value of which moves with the company's future results. Negative performance, unethical or non-compliant behavior will reduce individual awards or will even lead to no variable remuneration being awarded.

#### **Identified Staff**

RoLux has a specific and more stringent remuneration policy for staff who may have a material impact on the risk profile of the fund. These persons are designated to be 'Identified Staff'. For 2017, in addition to the Board, RoLux has identified 1 other person as Identified Staff. Among other things, the performance targets which are used to determine the award of variable remuneration 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, whereby 50% will be converted into hypothetical 'Robeco' shares whose value will follow the company's future results.

#### **Risk control**

RoLux has implemented additional risk-management measures with regard to the variable remuneration. For instance, RoLux has the possibility with regard to all employees to reclaim the granted variable remuneration ('claw-back') when this has been based on incorrect information, fraudulent acts, serious improper behavior, serious negligence in the performance of his tasks or behavior that has resulted to considerable losses for RoLux. 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 serious mistakes (ii) a considerable deterioration of RoLux 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) fraud committed by the employee concerned.

#### **Annual assessment**

RoLux's remuneration policy and the application thereof was evaluated in 2017 under the responsibility of the Supervisory Board, advised by the Remuneration Committee. Due to the new strategy 2017-2021 of Robeco the remuneration policy was slightly amended to support a high performance culture.

# Financial statements

## Statement of net assets

In EUR x thousand		Robeco (LU) Funds III Combined		Robeco QI Long/Short Dynamic Duration		Robeco High Yield Bonds Feeder Fund – zero duration	
	Notes	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Bonds at market value	2,8	178,755	217,117	178,755	217,117	–	–
Fund shares		2,598	–	–	–	1,052	–
CD/CPs at market value *	2,8	21,513	32,019	21,513	32,019	–	–
<b>Investment portfolio at market value</b>		<b>202,866</b>	<b>249,136</b>	<b>200,268</b>	<b>249,136</b>	<b>1,052</b>	–
Deposits and other cash		19,858	18,289	19,793	18,289	14	–
Unrealized gains on open forward exchange transactions	3	78	14	75	14	3	–
Unrealized gains on interest rate swaps	4	–	–	–	–	–	–
Unrealized gains on credit default swaps	5	4	–	–	–	2	–
Other assets		2,230	2,194	1,569	2,194	557	–
<b>Total assets</b>		<b>225,036</b>	<b>269,633</b>	<b>221,705</b>	<b>269,633</b>	<b>1,628</b>	–
Bank Loans and Overdrafts		70	–	57	–	13	–
Collateral due to brokers	7	–	–	–	–	–	–
Unrealized losses on open forward exchange transactions	3	274	250	274	250	–	–
Unrealized losses on interest rate swaps	4	14	–	–	–	2	–
Unrealized losses on credit default swaps	5	2	–	–	–	–	–
Other liabilities		1,391	188	832	188	497	–
<b>Total liabilities</b>		<b>1,751</b>	<b>438</b>	<b>1,163</b>	<b>438</b>	<b>512</b>	–
<b>Total net assets</b>		<b>223,285</b>	<b>269,195</b>	<b>220,542</b>	<b>269,195</b>	<b>1,116</b>	–
<b>Net asset value per DH EUR share</b>				<b>105.18</b>	<b>105.68</b>	<b>99.72</b>	–
<b>Net asset value per EH EUR share</b>				<b>88.77</b>	<b>89.73</b>	–	–
<b>Net asset value per FH EUR share</b>				<b>99.64</b>	<b>99.95</b>	<b>99.73</b>	–
<b>Net asset value per GH EUR share</b>				<b>94.26</b>	<b>95.26</b>	–	–
<b>Net asset value per IH EUR share</b>				<b>111.93</b>	<b>112.20</b>	<b>99.73</b>	–
<b>Net asset value per BxH AUD share <sup>1</sup></b>				–	–	<b>99.82</b>	–
<b>Net asset value per DH CHF share <sup>2</sup></b>				<b>93.09</b>	<b>93.73</b>	–	–
<b>Net asset value per IH CHF share <sup>2</sup></b>				<b>97.62</b>	<b>98.06</b>	–	–
<b>Net asset value per FH GBP share <sup>3</sup></b>				<b>98.73</b>	<b>98.56</b>	–	–
<b>Net asset value per BxH USD share <sup>4</sup></b>				–	–	<b>99.73</b>	–
<b>Net asset value per DH USD share <sup>4</sup></b>				<b>108.95</b>	<b>108.08</b>	<b>99.73</b>	–
<b>Net asset value per IH USD share <sup>4</sup></b>				<b>100.82</b>	<b>99.78</b>	<b>98.84</b>	–

\* Certificates of deposit and commercial papers

<sup>1</sup> This class of shares is denominated in Australian Dollar (AUD). The reference currency of the sub-fund is the euro (EUR).

<sup>2</sup> This class of shares is denominated in Swiss franc (CHF). The reference currency of the sub-fund is the euro (EUR).

<sup>3</sup> This class of shares is denominated in British pound (GBP). The reference currency of the sub-fund is the euro (EUR).

<sup>4</sup> This class of shares is denominated in US dollar (USD). The reference currency of the sub-fund is the euro (EUR).

The accompanying notes set out on pages 15 to 27 inclusive form an integral part of the financial statements.

# Statement of net assets

In EUR x thousand	Notes	Robeco Financial Institutions Bonds Feeder Fund – zero duration		Robeco Global Credits Feeder Fund – zero duration	
		30/06/2018	31/12/2017	30/06/2018	31/12/2017
Bonds at market value	2,8	–	–	–	–
Fund shares		599	–	947	–
CD/CPs at market value *	2,8	–	–	–	–
<b>Investment portfolio at market value</b>		<b>599</b>	<b>–</b>	<b>947</b>	<b>–</b>
Deposits and other cash		20	–	31	–
Unrealized gains on open forward exchange transactions	3	–	–	–	–
Unrealized gains on interest rate swaps	4	–	–	–	–
Unrealized gains on credit default swaps	5	–	–	2	–
Other assets		70	–	34	–
<b>Total assets</b>		<b>689</b>	<b>–</b>	<b>1,014</b>	<b>–</b>
Bank Loans and Overdrafts		–	–	–	–
Collateral due to brokers	7	–	–	–	–
Unrealized losses on open forward exchange transactions	3	–	–	–	–
Unrealized losses on interest rate swaps	4	5	–	7	–
Unrealized losses on credit default swaps	5	2	–	–	–
Other liabilities		49	–	13	–
<b>Total liabilities</b>		<b>56</b>	<b>–</b>	<b>20</b>	<b>–</b>
<b>Total net assets</b>		<b>633</b>	<b>–</b>	<b>994</b>	<b>–</b>
<b>Net asset value per DH EUR share</b>		<b>99.73</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per EH EUR share</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per FH EUR share</b>		<b>99.73</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per GH EUR share</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per IH EUR share</b>		<b>96.28</b>	<b>–</b>	<b>99.39</b>	<b>–</b>
<b>Net asset value per BxH AUD share <sup>1</sup></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per DH CHF share <sup>2</sup></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per IH CHF share <sup>2</sup></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per FH GBP share <sup>3</sup></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per BxH USD share <sup>4</sup></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per DH USD share <sup>4</sup></b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net asset value per IH USD share <sup>4</sup></b>		<b>98.55</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* Certificates of deposit and commercial papers

<sup>1</sup> This class of shares is denominated in Australian Dollar (AUD). The reference currency of the sub-fund is the euro (EUR).

<sup>2</sup> This class of shares is denominated in Swiss franc (CHF). The reference currency of the sub-fund is the euro (EUR).

<sup>3</sup> This class of shares is denominated in British pound (GBP). The reference currency of the sub-fund is the euro (EUR).

<sup>4</sup> This class of shares is denominated in US dollar (USD). The reference currency of the sub-fund is the euro (EUR).

The accompanying notes set out on pages 15 to 27 inclusive form an integral part of the financial statements.

## Number of shares outstanding

Movement in the reporting period 01/01/2018 through 30/06/2018	Class of shares	Shares at the beginning of the period	Shares subscribed	Shares redeemed	Shares at the end of the period
<b>Robeco QI Long/Short Dynamic Duration</b>	DH EUR	360,972	31,332	128,439	263,865
	EH EUR	10,380	375	588	10,167
	FH EUR	137,466	139,783	84,259	192,990
	GH EUR	75,351	11,472	58,826	27,997
	IH EUR	1,363,427	599,071	865,897	1,096,601
	DH CHF	222,517	332	28,227	194,622
	IH CHF	236,401	101,391	80,611	257,181
	FH GBP	860	-	-	860
	DH USD	75,636	11,444	14,792	72,288
	IH USD	140,569	92,389	196,438	36,520
	<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>	DH EUR	-	1,000	-
FH EUR		-	1,000	-	1,000
IH EUR		-	1,000	-	1,000
BxH AUD		-	1,550	-	1,550
BxH USD		-	295	-	295
DH USD		-	295	-	295
IH USD		-	6,000	-	6,000
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>		DH EUR	-	250	-
	FH EUR	-	250	-	250
	IH EUR	-	5,000	-	5,000
	IH USD	-	1,200	-	1,200
<b>Robeco Global Credits Feeder Fund – zero duration</b>	IH EUR	-	10,000	-	10,000

# Notes to the financial statements as at 30 June 2018

## 1 General

Robeco (LU) Funds III (formerly Robeco Interest Plus Funds) ('the Company') was incorporated on 2 June 1992 for an undetermined period of time as an open-ended investment company based in Luxembourg, issuing and redeeming its shares on a daily basis at prices at net asset value per share. The Company reserves the right to refuse any subscription request at any time. Its Articles of Incorporation were published in the 'Mémorial, Recueil des Sociétés et Associations' of the Grand Duchy of Luxembourg (the 'Mémorial') on 11 July 1992. The Articles of Incorporation were last amended on 31 March 2017 and such amendments were published in April 2017 in the Mémorial. Robeco (LU) Funds III (formerly Robeco Interest Plus Funds) is a 'Société d'Investissement à Capital Variable' (Investment Company with variable capital) pursuant to the law of 10 August 1915, as amended, on commercial companies and to part I of the modified law of 17 December 2010 on undertakings for collective investment of the Grand Duchy of Luxembourg. The Company takes the form of an umbrella fund, i.e. it can be made up of several sub-funds each representing an investment portfolio and other assets and liabilities corresponding to a different investment policy. Each sub-fund is therefore represented by a different type of share with one or more classes of shares. The Board of Directors has the authority to issue different classes of shares within each of the sub-funds. Details of the characteristics of such classes of shares offered by the Company will be determined by the Board of Directors. The Directors of the Company may at any time decide upon the issue of Class A, AH, D, D2, D2H, DH, F, FH, I, IH, M, M2, M2H, MH, Z and ZH shares (accumulating) and Class A1, A1H, B, BH, Bx, BxH, C, CH, Cx, CxH, D3, D3H, E, EH, G, GH, IB, IBH, IBx, IBxH, IE, IEH, IEx, IExH, M3, M3H, MB, ZB, ZBH, ZE and ZEH shares (distribution) to investors in one or several sub-funds. The reference currency of the classes of shares may be the euro (EUR), the US dollar (USD), the British pound (GBP), the Swiss franc (CHF), the Japanese yen (JPY), the Canadian dollar (CAD), the Mexican peso (MXN), the Hong Kong dollar (HKD), the Singapore dollar (SGD), the Swedish crown (SEK), the Norwegian crown (NOK), the Danish crown (DKK), the South-African rand (ZAR) or the Australian dollar (AUD). Only the shares mentioned in the paragraph 'Share Capital' are active at the reporting date. At the end of the reporting period the share capital comprised four active sub-funds, each relating to a separate investment portfolio consisting of securities, cash and other instruments. The complete list of sub-funds is as follows:

- Robeco QI Long/Short Dynamic Duration
- Robeco High Yield Bonds Feeder Fund – zero duration
- Robeco Financial Institutions Bonds Feeder Fund – zero duration
- Robeco Global Credits Feeder Fund – zero duration
- Robeco Emerging Credits Feeder Fund – zero duration<sup>1</sup>
- Robeco Investment Grade Corporate Bonds Feeder Fund – zero duration<sup>1</sup>
- Robeco European High Yield Bonds Feeder Fund – zero duration<sup>1</sup>
- Robeco QI Global Multi-Factor Credits Feeder Fund – zero duration<sup>1</sup>

<sup>1</sup> Sub-fund not yet introduced.

### Legal entity

The Company as a whole constitutes a single legal entity but the assets of any one sub-fund will only be available to satisfy the rights of investors in relation to that sub-fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of the sub-fund. With respect to the relations as between shareholders, each sub-fund is deemed to be separate entity.

### Share capital

The capital of the Company will automatically be adjusted in case additional shares are issued or outstanding shares are redeemed without special announcements or measure of publicity being necessary in relation thereto.

Class DH and EH shares are available to all investors.

Class FH and GH shares (privileged shares) are available in certain countries, subject to the relevant regulatory approval, through specific distributors, selected by the Board of Directors.

Class IH shares are only available to institutional investors within the meaning of article 174 (2) of the law of 17 December 2010 on collective investment undertakings and may only be subscribed directly with the Registrar. If it appears that Class IH shares are being held by non-institutional investors the Company will redeem these shares. Class IH shares have a minimum subscription amount of (the equivalent of) EUR 500,000. The Board of Directors can waive this minimum subscription amount at its discretion. The Company, for the account of classes of shares for which the currency of expression is USD, GBP or CHF (collectively of individually 'Hedged Class(es)'), engages in currency hedging transactions to preserve, to the extent possible, the currency of expression value of the



Hedged Class assets against the fluctuations of the currencies, with a substantial weight, in which the assets of the Company allocable to the Hedged Class are denominated. The attention of the investors is drawn to the fact that the Company have several classes of shares which distinguish themselves by, inter alia, their reference currency and that they are exposed to the risk that the net asset value of a class denominated in one currency can move unfavourable vis-à-vis another class denominated in another currency.

#### **Sales commissions**

The maximum sales commission is 3%, except for shares that are only available to institutional investors for which the maximum sales commission is 0.50%. The percentage represents a percentage of the total subscription amount. This commission rate is to be considered as a maximum rate and the sales agents may decide at their discretion to waive this sales commission in whole or in part. The Company reserves the right to refuse any subscription request at any time. Sales commissions are not booked in the sub-funds.

#### **Dividend policy**

The general policy regarding the appropriation of net income and capital gains is as follows:

##### **Class DH, FH and IH shares**

Income is automatically reinvested and added to the relevant class and will thus contribute to a further increase in value of the total net assets.

##### **Class BxH, EH and GH shares**

After the end of the reporting period, the Company can recommend what distribution shall be made from the net investment income and capital gains attributable to the relevant class. The annual general meeting of shareholders will determine the dividend payment. The Board of Directors of the Company may decide to distribute interim dividends in accordance with Luxembourg law.

##### **General remarks**

As provided by the 2010 law, the Company may decide to distribute dividends with no other limit than the obligation that any such dividend distribution does not reduce the net asset value of the Company below the legal minimum amount. Similarly, the Company may decide to distribute interim dividends and may decide to pay dividends in shares. If dividends are distributed, payments of cash dividends to registered shareholders are made in the currency of the relevant class to such shareholders at the addresses they have given to the Registrar. Dividend announcements (including names of paying agents) shall be published in a leading newspaper circulating in the countries where the Company's shares have been sold as determined by the Board of Directors. Dividends not collected within five years will lapse and accrue for the benefit of the Company in accordance with Luxembourg law.

#### **Open-ended fund**

Robeco (LU) Funds III is an open-ended investment company, meaning that, barring exceptional circumstances, Robeco (LU) Funds III issues and purchases its shares on a daily basis at prices at net asset value per share. The Company reserves the right to refuse any subscription request at any time.

#### **Swing pricing**

Shares are issued and redeemed on the basis of the net asset value per share. However, the actual costs of purchasing or selling assets and investments for a sub-fund may deviate from the latest available prices, as appropriate, in calculating the net asset value per share. This deviation can be caused by duties and charges and spread from buying and selling prices of the underlying investments ("spreads"). These costs have an adverse effect on the value of a sub-fund and its underlying share classes and are known as dilution. To mitigate the effects of dilution, the Directors may, at their discretion, make a dilution adjustment to the net asset value per share. The Directors will retain the discretion in relation to the circumstances under which to make such a dilution adjustment. At the end of the reporting period, no swing adjustment was made.

#### **Pooling and co-management**

For the purpose of efficient management and to reduce administrative costs, the Board of Directors may decide to co-manage some or all of the assets of the Company with assets of other Luxembourg UCIs of the Robeco Group ('co-managed units'). In this case, the assets from different co-managed units will be jointly managed using the technique of pooling. Assets that are co-managed will be referred to using the term 'pool'. Such pools will only be used for the purposes of internal management. They will not constitute distinct legal entities and will not be directly accessible to investors. Each co-managed unit will have its own assets allocated to it. During the reporting period no pooling or co-management took place.

#### **Affiliated parties**

Robeco (LU) Funds III is affiliated to the entities belonging to ORIX Corporation Europe N.V. (until 1 January 2018 Robeco Groep N.V.) The affiliation with ORIX Corporation Europe N.V. is the result of the possibility of having decisive control or a substantial influence on the Company's business policy. ORIX Corporation Europe N.V. is part of ORIX Corporation. The management structure of ORIX Corporation Europe N.V. is such that ORIX Corporation does not have any meaningful say

in or influence on the Company's business policy. ORIX Corporation Europe N.V. pursues an independent investment policy on behalf of its affiliated investment companies, taking into account the interest of the investors involved. Besides services of other market parties, Robeco (LU) Funds III also utilizes the services of one or more of these affiliated entities including transactions relating to securities, treasury, derivatives, securities lending, and subscriptions and redemptions of its own shares, as well as management activities. Transactions are executed at market rates.

## Financial Instruments

### Risks

Transactions in financial instruments may lead the sub-fund to be subject to the risks described below or to the sub-fund transferring these risks to another party.

#### General investment risk

The value of the investments may fluctuate. Past performance is no guarantee of future results. The net asset value of the Company is affected by developments in the financial markets and may both rise and fall. Shareholders run the risk that their investments may end up being worth less than the amount invested or even worth nothing.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating.

Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities and any amounts paid on such securities. This may in turn affect the NAV per share. General investment risk can be broken down into market risk, concentration risk and currency risk.

#### Market risk

The net asset value of the sub-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. No assurance can, therefore, be given that the sub-fund's investment objective will be achieved. It cannot be guaranteed either that the value of a share in a sub-fund will not fall below its value at the time of acquisition.

#### Concentration risk

Based on its investment policy, the Company may invest in financial instruments from issuing institutions that (mainly) operate within the same sector or region, or in the same market. If this is the case, the concentration of the investment portfolio of the sub-fund may cause events that have an effect on these issuing institutions to have a greater effect on the sub-fund's assets than would occur with a less concentrated investment portfolio.

#### Currency risk

All or part of the investment portfolio of a sub-fund may be invested 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 sub-fund.

#### Counterparty risk

A counterparty of a sub-fund may fail to fulfil its obligations towards that sub-fund. In case of hedging transactions in classes of shares, the relevant sub-fund carries the counterparty risk. This risk is limited as much as possible by taking every possible care in the selection of counterparties. Wherever it is customary in the market, the Company will demand and obtain collateral. The sub-funds minimize this risk by trading exclusively with counterparties which it believes to be creditworthy.

#### Risk of lending financial instruments

In the case of financial-instrument lending transactions, the Company runs the risk that the borrower cannot comply with its obligation to return the financial instruments on the agreed date or furnish the requested collateral. The lending policy of the Company is designed to control these risks as much as possible.

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 or USD).

### Liquidity risk

The actual buying and selling prices of financial instruments in which the Company invests partly depend upon the liquidity of the financial instruments in question. It is possible that a position taken on behalf of the sub-fund cannot be quickly liquidated in a good time at a reasonable price due to a lack of liquidity in the market in terms of supply and demand. The sub-fund minimizes this risk by mainly investing in financial instruments that are tradable on a daily basis.

### Euro currency risk

All or part of the assets of a sub-fund may be invested in securities denominated in Euro. In the event of any adjustments, including a full break-up, an exit of individual countries or other circumstances that may result in the emergence or reintroduction of national currencies, a sub-fund runs the risks that the value of its investments is reduced and/or the liquidity of its investments is (temporarily) reduced, regardless of the measures the Company may seek to reduce this risk.

### Operational risk

The operational risk is the non inherent risk remaining after determining the risks as detailed above (general investment risk, counterparty risk, liquidity risk, risk of lending financial instruments or Euro currency risk). It mainly includes risks resulting from breakdowns in internal procedures, people and systems.

### Insight into actual risks

The report of the Board of Directors, the Statement of net assets, the Notes to the financial statements and the Investment portfolio, which include currency classification of the investments, give an insight into the actual risks at the end of the reporting period.

### Risk management

Managing risk is a part of the investment process as a whole and with the help of advanced systems, the risks outlined above are limited, measured and monitored on the basis of fixed risk measures.

### Policy regarding the use of derivatives

Investing implies that positions are taken. As it is possible to use various instruments, including derivative instruments, to construct an identical position, the selection of derivatives is subordinate to the positioning of an investment portfolio. In our published information, attention is given primarily to the overall position, and secondarily to the nature and volume of the financial instruments employed.

### Derivative instruments

The unrealized results of derivative instruments (except on future contracts) are reported in the Statement of net assets and are disclosed by contract. Commitments to derivatives are not included in the Statement of net assets. They are, however, explained in the Notes. The derivative instruments listed in the notes are transacted through third party brokers. The company is exposed to counterparty risk in respect of all amounts due to it from such brokers.

## 2 Summary of significant accounting principles

### General

Unless stated otherwise, the items shown in the financial statements are included at their nominal value and expressed in the reference currency of the relevant sub-fund. The reference currency of the sub-fund is the euro. This semi-annual report covers the period from 1 January 2018 through 30 June 2018.

### Preparation and presentation of financial statements

The financial statements are prepared and presented in accordance with Luxembourg generally accepted accounting principles for investment funds.

### Foreign currencies

Transactions in currencies other than the reference currency of a sub-fund are converted into the reference currency at the exchange rates prevailing at the time of the transaction. The market value of the investments, assets and liabilities expressed in currencies other than the reference currency of the sub-fund are converted into the sub-fund's reference currency at the exchange rates prevailing at the end of the reporting period. Any positive or negative exchange differences arising are accounted for in the Statement of operations and changes in net assets under the heading 'Net realized and changes in unrealized results on investments and other financial instruments'. The table on page 28 shows the exchange rates as at 30 June 2018.

## Valuation of investments

### **Transferable securities, money market instruments and/or financial derivative instruments listed on an official stock exchange listing**

These instruments are valued at their last available market price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security or asset. Should the last available market price for a given transferable security, money market instrument or financial derivative instrument not truly reflect its fair market value, then that transferable security, money market instrument or financial derivative instrument is valued on the basis of the probable sales price which the Board of Directors deems prudent to assume. Fixed income securities not traded on such markets are generally valued at the last available price or yield equivalents obtained from one or more dealers or pricing services approved by the Board of Directors, or any other price deemed appropriate by the Board of Directors.

### **Transferable securities and/or money market instruments dealt in on another regulated market**

These instruments are valued on the basis of their last available market price. Should the last available market price for a given transferable security and/or money market instrument not truly reflect its fair market value, then that transferable security and/or money market instrument is valued by the Board of Directors on the basis of the probable sales price which the Board of Directors deems prudent to assume.

### **Transferable securities and/or money market instruments not listed or dealt in on any stock exchange or on any regulated market**

In the event that any assets are not listed or dealt in on any stock exchange or on any regulated market, or if, with respect to assets listed or dealt in on any stock exchange, or on any regulated market as aforesaid, where the above valuation methods are inappropriate or misleading, the Board of Directors may adopt any other appropriate valuation principles for the assets of the Company. The valuation of CDs and CPs is based on a discounted cashflow model, using interest rates on balance sheet date.

Sub-funds primarily invested in markets which are closed for business at the time of valuation of the sub-fund are normally valued using the prices at the previous close of business.

Market volatility may result in the latest available prices not accurately reflecting the fair value of the sub-fund's investments. This situation could be exploited by investors who are aware of the direction of market movements, and who might deal to exploit the difference between the next published Net Asset Value and the fair value of the sub-fund's investments. By these investors paying less than the fair value for shares on issue, or receiving more than the fair value for shares on redemption, other shareholders may suffer a dilution in the value of their investment. To prevent this, the sub-fund may, during periods of market volatility, adjust the Net Asset Value per Share prior to publication to reflect more accurately the fair value of the sub-fund's investments. Adjustment will be made provided that such change exceeds the threshold as determined by the Board of Directors. If an adjustment is made, it will be applied consistently to all classes of shares. At the end of the reporting period, no such adjustments were made.

### **Investment transactions and investment income**

Securities are initially recorded at cost, and where applicable on the basis of exchange rates prevailing on the date they are purchased. Results on sales of securities are determined on the basis of the average cost method (for futures first in first out method). Investment transactions are accounted for on the trade date. Interest income is recorded on an accrual basis. Discounts/Premiums on zero coupon bonds are accreted as adjustments to interest income. Interests and capital gains on securities may be subject to withholding or capital gains taxes in certain countries.

### 3 Open forward exchange transactions

Open forward exchange transactions are valued with market practice valuation models using forwards rates based on exchange and interest rates applicable at 30 June 2018. The unrealized results of these transactions have been recorded gross in the Statement of net assets under the heading 'Unrealized gains/losses on open forward exchange transactions' and changes in unrealized results are recorded in the Statement of operations and changes in net assets under the heading 'Net realized and changes in unrealized results on investments and other financial instruments'. The contracts outstanding as at 30 June 2018 are disclosed in the table below. Information on the collateral on these positions is stated in the table on page 24. The paid collateral is restricted cash and is included in the Statement of net assets under the heading 'Other assets'. The received collateral is included in the Statement of net assets under the heading 'Collateral due to brokers'.

Open forward exchange transactions							Unrealized gains/losses
	Currency bought	Amount bought	Currency sold	Amount sold	Counterparty	Maturity date	EUR x 1
Robeco QI Long/Short Dynamic Duration DH CHF shares	EUR	64,933	CHF	75,000	J.P. Morgan	05/07/2018	238
	EUR	60,713	CHF	70,000	Rabobank Nederland	05/07/2018	331
							<b>569</b>
Robeco QI Long/Short Dynamic Duration DH USD shares	EUR	25,730	USD	30,000	J.P. Morgan	05/07/2018	44
	EUR	166,240	USD	194,000	Rabobank Nederland	05/07/2018	137
	USD	7,445,778	EUR	6,355,639	J.P. Morgan	05/07/2018	19,439
							<b>19,620</b>
Robeco QI Long/Short Dynamic Duration IH USD shares	EUR	2,560,469	USD	2,987,000	J.P. Morgan	05/07/2018	3,000
	USD	50,000	EUR	42,410	J.P. Morgan	05/07/2018	400
	USD	19,704,000	EUR	16,819,131	J.P. Morgan	05/07/2018	51,441
							<b>54,841</b>
<b>Total unrealized gains</b>							<b>75,030</b>
Robeco QI Long/Short Dynamic Duration DH CHF shares	CHF	18,298,894	EUR	15,845,293	Rabobank Nederland	05/07/2018	-60,747
	EUR	60,257	CHF	70,000	J.P. Morgan	05/07/2018	-125
							<b>-60,872</b>
Robeco QI Long/Short Dynamic Duration IH CHF shares	CHF	21,191,637	EUR	18,350,164	Rabobank Nederland	05/07/2018	-70,350
	CHF	3,868,000	EUR	3,349,763	J.P. Morgan	05/07/2018	-13,243
							<b>-83,593</b>
Robeco QI Long/Short Dynamic Duration FH GBP shares	GBP	85,000	EUR	96,728	J.P. Morgan	05/07/2018	-625
							<b>-625</b>
Robeco QI Long/Short Dynamic Duration DH USD shares	USD	443,000	EUR	381,903	J.P. Morgan	05/07/2018	-2,607
							<b>-2,607</b>
Robeco QI Long/Short Dynamic Duration IH USD shares	EUR	3,395,348	USD	4,022,000	Rabobank Nederland	05/07/2018	-48,292
	EUR	3,403,418	USD	4,018,000	J.P. Morgan	05/07/2018	-36,797
	EUR	3,409,600	USD	4,020,000	J.P. Morgan	05/07/2018	-32,327
	EUR	878,450	USD	1,036,000	J.P. Morgan	05/07/2018	-8,574
							<b>-125,990</b>
<b>Total unrealized losses</b>							<b>-273,687</b>
Robeco High Yield Bonds Feeder Fund – zero duration BxH AUD shares	AUD	155,000	USD	114,338	Barclays Bank	19/07/2018	207
							<b>207</b>
Robeco High Yield Bonds Feeder Fund – zero duration DH EUR shares	EUR	100,000	USD	116,112	Barclays Bank	19/07/2018	793
							<b>793</b>
Robeco High Yield Bonds Feeder Fund – zero duration FH EUR shares	EUR	100,000	USD	116,112	Barclays Bank	19/07/2018	793
							<b>793</b>
Robeco High Yield Bonds Feeder Fund – zero duration IH EUR shares	EUR	100,000	USD	116,112	Barclays Bank	19/07/2018	793
							<b>793</b>
<b>Total unrealized gains</b>							<b>2,586</b>

## Open forward exchange transactions

	Currency bought	Amount bought	Currency sold	Amount sold	Counterparty	Maturity date	Unrealized gains/losses EUR x 1
Robeco High Yield Bonds Feeder Fund – zero duration shares	USD	10,964	EUR	9,444	Société Générale	20/07/2018	-78
<b>Total unrealized gains</b>							<b>-78</b>
Robeco Financial Institutions Bonds Feeder Fund – zero duration IH USD shares	USD	119,000	EUR	102,037	Société Générale	01/08/2018	-343
<b>Total unrealized losses</b>							<b>-343</b>
Robeco Global Credits Feeder Fund – zero duration shares	EUR	4,954	USD	5,777	Société Générale	01/08/2018	17
	GBP	5,254	EUR	5,921	Société Générale	01/08/2018	15
<b>Total unrealized gains</b>							<b>32</b>

## 4 Interest Rate Swaps

Interest rate swaps are valued with market practice valuation models using exchange and interest rates applicable at 30 June 2018. The unrealized gains/losses on interest rate swaps are recorded gross in the Statement of net assets under the heading 'Unrealized gains/losses on interest rate swaps'. The contracts outstanding as at 30 June 2018 are disclosed in the table below. Information on the collateral on these positions is stated in the table on page 24. The paid collateral is restricted cash and is included in the Statement of net assets under the heading 'Other assets'. The received collateral is included in the Statement of net assets under the heading 'Collateral due to brokers'.

### Interest rate swaps

As at 30 June 2018

Denomination	Counterparty	Maturity date	Currency	Nominal value	Unrealized gains/losses base currency x 1
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>					
IRS USD Pay 2.7732% Rec ICE LIBOR USD 3	Morgan Stanley	29/06/2020	USD	200,000	49
IRS USD Pay 2.9172% Rec ICE LIBOR USD 3	Morgan Stanley	29/06/2028	USD	140,000	68
IRS USD Pay 2.9337% Rec ICE LIBOR USD 3	Citigroup	16/05/2023	USD	370,000	-890
IRS EUR Pay 0.4347% Rec EURIBOR EUR 6M	Morgan Stanley	16/05/2023	EUR	90,000	-986
IRS EUR Pay -0.1733% Rec EURIBOR EUR 6M	Barclays Bank	29/06/2020	EUR	100,000	-5
<b>Total unrealized losses</b>					<b>-1,764</b>
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>					
IRS EUR Pay 0.3692% Rec EURIBOR EUR 6M	BNP Paribas	25/05/2023	EUR	90,000	-543
IRS EUR Pay 1.0547% Rec EURIBOR EUR 6M	Citigroup	27/04/2028	EUR	80,000	-1,547
IRS EUR Pay -0.1298% Rec EURIBOR EUR 6M	Citigroup	27/04/2020	EUR	240,000	-287
IRS EUR Pay 0.4337% Rec EURIBOR EUR 6M	BNP Paribas	27/04/2023	EUR	230,000	-2,208
<b>Total unrealized losses</b>					<b>-4,585</b>
<b>Robeco Global Credits Feeder Fund – zero duration</b>					
IRS GBP Pay 1.3757% Rec ICE LIBOR GBP 6	BNP Paribas	15/05/2023	GBP	70,000	-321
IRS USD Pay 3.0720% Rec ICE LIBOR USD 3	Goldman Sachs	16/05/2038	USD	120,000	-1,878
IRS USD Pay 2.8017% Rec ICE LIBOR USD 3	Citigroup	13/06/2020	USD	200,000	-50
IRS USD Pay 3.0192% Rec ICE LIBOR USD 3	BNP Paribas	16/05/2028	USD	150,000	-1,083
IRS USD Pay 2.9337% Rec ICE LIBOR USD 3	Citigroup	16/05/2023	USD	300,000	-618
IRS EUR Pay 1.0452% Rec EURIBOR EUR 6M	BNP Paribas	16/05/2028	EUR	50,000	-901
IRS USD Pay ICE LIBOR USD 3 Rec 2.8683%	BNP Paribas	01/06/2028	USD	50,000	-203
IRS EUR Pay 0.4347% Rec EURIBOR EUR 6M	Morgan Stanley	16/05/2023	EUR	200,000	-1,877
IRS USD Pay 2.9897% Rec ICE LIBOR USD 3	Citigroup	30/05/2028	USD	55,000	-278
<b>Total unrealized losses</b>					<b>-7,209</b>

## 5 Credit Default Swaps

Credit default swaps are valued at fair value under procedures approved by the Board of Directors. The unrealized gains/losses on credit default swaps are recorded gross in the Statement of net assets under the heading 'Unrealized gains/losses on credit default swaps'. The contracts outstanding as at 30 June 2018 are disclosed in the table below. Information on the collateral on these positions is stated in the table on page 24. The paid collateral is restricted cash and is included in the Statement of net assets under the heading 'Other assets'. The received collateral is included in the Statement of net assets under the heading 'Collateral due to brokers'.

### Credit default swaps

As at 30 June 2018

Purchase/ Sale of risk	Denomination	Premium	Maturity date CDS/CDX	Currency	Counterparty	Nominal value/ commitment	Unrealized gains/losses base currency x 1
<b>Robeco High Yield Bonds Feeder Fund – zero duration shares</b>							
Purchase	CDX MARKIT CDX.NA.HY.30 06/23	Receive 500 bps	20-06-2023	USD	Barclays Bank	30,000	1,726
<b>Total unrealized gains</b>							<b>1,726</b>
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration shares</b>							
Purchase	CDX MARKIT ITRX EUR SUB FIN 06/23	Receive 100 bps	20-06-2023	EUR	Barclays Bank	50,000	-1,921
<b>Total unrealized losses</b>							<b>-1,921</b>
<b>Robeco Global Credits Feeder Fund – zero duration shares</b>							
Purchase	CDX MARKIT CDX.NA.HY.30 06/23	Receive 500 bps	20-06-2023	USD	Barclays Bank	40,000	1,971
<b>Total unrealized gains</b>							<b>1,971</b>

## 6 Financial Futures

Regulated futures contracts are valued at their exchange quoted settlement price. The daily results on open financial futures are settled daily on the future margin account (variation margins). As a consequence, the amounts corresponding to "Unrealized gains/losses on financial futures" in the statement of net assets are reflected in margin deposits included within the heading "Deposits and other cash".

Initial margin deposits are made upon entering into futures contracts. Variation margin payments are made or received, depending on whether daily realized losses or gains are incurred. When the contract is closed, the Company records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and price of the previous net asset value date.

Changes in unrealized results and realized results during the year are both recorded in the Statement of operations and changes in net assets under the heading 'Net realized and changes in unrealized results on investments and other financial instruments'.

All margin deposits are included in the Statement of net assets under the heading 'Deposits and other cash' and amounted to EUR 1.4 million at the end of the reporting period. The contracts outstanding as at 30 June 2018 are disclosed in the following table.

### Financial futures

As at 30 June 2018

Purchase/Sale	Quantity	Denomination	Currency	Maturity month	Commitment base currency x 1
<b>Robeco QI Long/Short Dynamic Duration</b>					
Purchase	101	EURO-BUND FUTURE XEUR	EUR	SEP-2018	16,417,550
Sale	51	US 10YR NOTE (CBT) XCBT	USD	SEP-2018	5,249,936
Sale	120	US 2YR NOTE (CBT) XCBT	USD	SEP-2018	21,771,552
Sale	496	EURO-SCHATZ FUT XEUR	EUR	SEP-2018	55,594,160
Purchase	54	JPN 10Y BOND(OSE) XOSE	JPY	SEP-2018	62,984,279
Sale	267	US 5YR NOTE (CBT) XCBT	USD	SEP-2018	25,982,433
Sale	25	US 10yr Ultra Fut XCBT	USD	SEP-2018	2,745,801
Sale	141	US LONG BOND(CBT) XCBT	USD	SEP-2018	17,511,027
Purchase	123	EURO-BOBL FUTURE XEUR	EUR	SEP-2018	16,256,910
Purchase	54	EURO BUXL 30Y BND XEUR	EUR	SEP-2018	9,595,800

## 7 Collateral and Overdraft

The sub-fund of Robeco (LU) Funds III receives or pays collateral to cover the unrealized results on derivative instruments, except financial futures. Collaterals are calculated and settled on a daily basis per counterparty. The collateral is primarily cash held at the broker in the name of the sub-fund. The paid collateral is restricted cash and is included in the Statement of net assets under the heading 'Other assets'. The received collateral is included in the Statement of net assets under the heading 'Collateral due to broker'. The table below shows the positions as at 30 June 2018.

<b>Collateral</b>			
In EUR x thousand			
<b>Sub-fund</b>	<b>Counterparty</b>	<b>Paid/Received</b>	<b>30/06/2018</b>
Robeco High Yield Bonds Feeder Fund – zero duration	Barclays Bank	Paid	16
	Citigroup	Received	0
Robeco Financial Institutions Bonds Feeder Fund – zero duration	Barclays Bank	Paid	12
	Citigroup	Paid	7
Robeco Global Credits Feeder Fund – zero duration	Barclays Bank	Paid	32
	Citigroup	Received	0

The Company has access to an overdraft facility (the "Facility"), established with the Depositary, intended to provide for short-term/temporary financing if necessary, subject to certain restrictions, in connection with abnormal redemption activity. Each portfolio of the Company is limited to borrowing 10% of its respective net assets. Borrowings pursuant to the facility are subject to interest at a mutually agreed upon rate and security by the underlying assets of each portfolio. The number of days to refund in case of a temporary overdraft is set at 30 days.

## 8 Investment portfolio

The investment portfolios of the sub-funds are included at the end of this report.

## 9 Securities lending

During the reporting period no securities lending transactions took place.

## 10 Taxes

The classes of shares of the sub-fund are liable in Luxembourg to an annual duty ('taxe d'abonnement-subscription tax') at the rate of 0.05% per annum of their net assets calculated and payable at the end of each quarter. This rate is 0.01% per annum for institutional classes of shares such as IH shares. To the extent that the assets of the sub-fund are invested in investment funds which are established in Luxembourg, no such a tax is payable, provided that the relevant investment funds have been subject to this tax. The sub-fund will receive income from its investments after deduction of applicable withholding taxes in the country of origin. There are no Luxembourg income, withholding, capital gains, estate or inheritance taxes payable by the sub-fund.

## 11 Management company

The Directors of the Company have appointed Robeco Luxembourg S.A. (the 'Management Company') as the management company to be responsible on a day-to-day basis, under supervision of the Board of Directors of the Company, for providing administration, marketing and investment management services. The Management Company has delegated its investment management services to Robeco Institutional Asset Management B.V. (the 'Investment Adviser'). The Management Company has delegated the administration and registrar agent functions to RBC Investor Services Bank S.A. (acting as 'Administration Agent' and 'Registrar Agent'). The Management Company was incorporated as a 'Société anonyme' under the laws of the Grand Duchy of Luxembourg on 7 July 2005 and its Articles of Association were published in the Mémorial on 26 July 2005. The Management Company is approved as Management Company regulated by chapter 15 of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment. The Management Company is part of ORIX Corporation Europe N.V. and also acts as Management Company for Robeco Capital Growth Funds, Robeco QI Global Dynamic Duration (formerly Robeco Lux-o-rente), Robeco Global Total Return Bond Fund and Robeco All Strategies Funds.



## 12 Management and service fee

The classes of shares incur an annual management fee payable to the Management Company, which reflects all expenses related to the management of the Company. Furthermore the different classes of shares incur an annual service fee payable to the Management Company reflecting all remaining expenses such as the fees of the Administration Agent, the Registrar Agent, auditors and legal advisers, the costs of preparing, printing and distributing all prospectuses, memoranda, reports and other necessary documents concerning the Company, any fees and expenses involved in the registration of the Company with any governmental agency and stock exchange, the costs of publishing prices and operational expenses, and the cost of holding shareholders' meetings.

The annual charges, both management fee and service fee, are expressed as a percentage of the net asset value. The charges, paid monthly, are based on the net asset value of the relevant period and are reflected in the share price. The table below shows the percentages for the different classes of shares.

<b>Management fee</b>						
In %	BxH shares	DH shares	EH shares	FH shares	GH shares	IH shares
Robeco QI Long/Short Dynamic Duration		0.70	0.70	0.35	0.35	0.30
Robeco High Yield Bonds Feeder Fund – zero duration	1.00	1.00		0.50		0.50
Robeco Financial Institutions Bonds Feeder Fund – zero duration		0.70		0.35		0.35
Robeco Global Credits Feeder Fund – zero duration						0.40

  

<b>Service fee <sup>1</sup></b>						
In %	BxH Shares	DH Shares	EH shares	FH shares	GH shares	IH Shares
Robeco QI Long/Short Dynamic Duration		0.12	0.12	0.12	0.12	0.08
Robeco High Yield Bonds Feeder Fund – zero duration	0.12	0.12		0.12		0.08
Robeco Financial Institutions Bonds Feeder Fund – zero duration		0.12		0.12		0.08
Robeco Global Credits Feeder Fund – zero duration						0.08

<sup>1</sup> If the assets of a sub-fund exceed EUR 1 billion, for the assets above EUR 1 billion the service fee will be reduced by 0.02%. If the assets of a sub-fund exceed EUR 5 billion, for the assets above EUR 5 billion the service fee will be reduced by a further 0.02% (for IH shares 0.01%). However, the annual service rate cannot be less than 0.01% for a specific share class.

## 13 Depositary fee

The Depositary bank is remunerated in accordance with the agreement between RBC Investor Services Bank S.A., acting as the Depositary, and the Company.

## 14 Distributed dividends

During the reporting period the following distributions took place.

<b>Distributed dividend</b>				
	Currency	Amount per share	Ex-dividend date	Payment date
<b>Robeco QI Long/Short Dynamic Duration</b>				
EH EUR shares	EUR	0.54	13/04/2018	20/04/2018
GH EUR shares	EUR	0.73	13/04/2018	20/04/2018

## 15 Transaction costs

The Company and its classes of shares pay directly commissions, brokerage fees and taxes resulting from financial transactions. These costs are recorded in the Statement of operations and changes in net assets under the heading "Transaction costs".

## 16 Ongoing charges

The ongoing charges express the operational costs (e.g. management fee, service fee, taxe d'abonnement, depositary fee and bank charges) charged to the sub-fund as a percentage of the average assets entrusted, calculated on a daily basis, during the reporting period. The ongoing charges as shown in the table below do not include transaction costs. The other costs concern mainly bank charges, depositary fees and taxe d'abonnement. The ongoing charges are annualized for

periods less than one year. Comparative figures are only disclosed for the sub-funds and share classes outstanding at the beginning of the reporting period.

## Ongoing charges

In %	01/07/2017-30/06/2018				01/07/2016-30/06/2017			
	Management fee	Service fee	Other costs	Total	Management fee	Service fee	Other costs	Total
<b>Robeco QI Long/Short Dynamic Duration</b>								
DH EUR shares	0.70	0.12	0.06	<b>0.88</b>	0.70	0.12	0.06	<b>0.88</b>
EH EUR shares	0.70	0.12	0.06	<b>0.88</b>	0.70	0.12	0.06	<b>0.88</b>
FH EUR shares	0.35	0.12	0.06	<b>0.53</b>	0.35	0.12	0.06	<b>0.53</b>
GH EUR shares	0.35	0.12	0.06	<b>0.53</b>	0.35	0.12	0.06	<b>0.53</b>
IH EUR shares	0.30	0.08	0.02	<b>0.40</b>	0.30	0.08	0.02	<b>0.40</b>
DH CHF shares	0.70	0.12	0.06	<b>0.88</b>	0.70	0.12	0.06	<b>0.88</b>
IH CHF shares	0.30	0.08	0.02	<b>0.40</b>	0.30	0.08	0.02	<b>0.40</b>
FH GBP shares	0.35	0.12	0.06	<b>0.53</b>	0.35	0.12	0.06	<b>0.53</b>
DH USD shares	0.70	0.12	0.06	<b>0.88</b>	0.70	0.12	0.06	<b>0.88</b>
IH USD shares	0.30	0.08	0.02	<b>0.40</b>	0.30	0.08	0.02	<b>0.40</b>
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>								
DH EUR shares	1.00	0.12	0	<b>1.12</b>				
FH EUR shares	0.50	0.12	0	<b>0.62</b>				
IH EUR shares	0.50	0.08	0	<b>0.58</b>				
BxH AUD shares	1.00	0.12	0	<b>1.12</b>				
BxH USD shares	1.00	0.12	0	<b>1.12</b>				
DH USD shares	1.00	0.12	0	<b>1.12</b>				
IH USD shares	0.50	0.08	0	<b>0.58</b>				
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>								
DH EUR shares	0.70	0.12	0	<b>0.82</b>				
FH EUR shares	0.35	0.12	0	<b>0.47</b>				
IH EUR shares	0.35	0.08	0	<b>0.43</b>				
IH USD shares	0.35	0.08	0	<b>0.43</b>				
<b>Robeco Global Credits Feeder Fund – zero duration</b>								
IH EUR shares	0.40	0.08	0	<b>0.48</b>				

## 17 Hard commissions and soft-dollar arrangements

There were no hard commissions or soft-dollar arrangements during the reporting period.

## 18 Turnover ratio

This is the turnover ratio of the investments, including derivative instruments, against the average assets entrusted and this is a measure of the incurred transaction costs resulting from the investment portfolio policy pursued and the ensuing investment transactions. In the calculation method that is used the amount of turnover is determined by the sum of purchases and sales of investments, including derivatives, less the sum of issuance and repurchase of own shares, divided by the daily average of the net assets. The turnover ratio is determined by expressing the amount of turnover as a percentage of the average assets entrusted. In the following table the turnover ratio per fund.

Turnover ratio		
In %	01/07/2017-30/06/2018	01/07/2016-30/06/2017
<b>Global Equity sub-funds</b>		
Robeco QI Long/Short Dynamic Duration	20	88
Robeco High Yield Bonds Feeder Fund – zero duration	-10	
Robeco Financial Institutions Bonds Feeder Fund – zero duration	-6	
Robeco Global Credits Feeder Fund – zero duration	-6	

## **19 Changes in the investment portfolio**

The statement of changes in the investment portfolio during the period from 1 January 2018 to 30 June 2018 inclusive may be obtained free of charge at the offices of the Company, the Depositary, or any Nominee.

## **20 Retrocessions and trailer fees**

Trailer fees for the marketing of the sub-fund (Commission d'Encours) are paid to distributors and assets managers from the management fee. No retrocession has been granted during the reporting period.

Luxembourg, August 2018

The Board of Directors

J.H. (Jeroen) van den Akker

D.R. (Rob) van Bommel

H.P. (Pierre) de Knijff

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## Exchange rates

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		30/06/2018 Against EUR x 1		31/12/2017 Against EUR x 1
AUD	1	0.6328	1	0.6514
CHF	1	0.8626	1	0.8546
GBP	1	1.1308	1	1.1266
JPY	100	0.7733	100	0.7393
USD	1	0.8565	1	0.8328

# Investment portfolio

## Robeco QI Long/Short Dynamic Duration

### Investment portfolio

At 30 June 2018

Interest rate		Maturity date	Face Value	Market Value in EUR x 1	In % of net assets
<b>Transferable securities and money market instruments admitted to an official stock exchange listing and other regulated market</b>					
<b>EUR</b>					
<b>Interest rate</b>					
0.0000	AGENCE FRANCAISE DEVELOP	19/09/2018	5,300,000	5,302,714	2.40
0.0000	FMS WERTMANAGEMENT	27/01/2019	800,000	802,224	0.36
0.0000	FREIE HANSESTADT HAMBURG	18/02/2020	5,000,000	5,049,700	2.29
0.0000	LAND BERLIN	09/10/2023	5,000,000	5,177,200	2.35
0.0000	NEDER WATERSCHAPSBANK	01/11/2018	5,000,000	5,006,250	2.27
0.0000	NRW.BANK	26/01/2023	5,000,000	5,215,950	2.37
0.0000	NYKREDIT REALKREDIT AS	01/10/2022	6,500,000	6,630,683	3.01
0.0000	Italy (Republic)	31/07/2018	2,350,000	2,350,705	1.07
0.0000	ERSTE ABWICKLUNGSANSTALT	25/02/2021	5,000,000	5,036,450	2.28
0.0000	FMS WERTMANAGEMENT	18/09/2020	800,000	806,784	0.37
0.0000	FMS WERTMANAGEMENT	22/05/2020	5,000,000	5,039,500	2.29
0.0400	DEXIA CREDIT LOCAL	11/12/2019	4,950,000	4,974,750	2.26
0.1000	BANK OF NOVA SCOTIA	21/01/2019	6,550,000	6,566,572	2.98
0.1000	CANADIAN IMPERIAL BANK	14/12/2018	6,400,000	6,412,736	2.91
0.1250	CREDIT AGRICOLE HOME LOA	28/08/2020	5,250,000	5,296,935	2.40
0.3000	Italy (Republic)	15/10/2018	8,300,000	8,309,212	3.77
0.7500	NATIONWIDE BLDG SOCIETY	25/06/2019	6,400,000	6,467,456	2.93
0.7500	ROYAL BANK OF CANADA	19/06/2019	6,400,000	6,466,304	2.93
1.0000	CREDIT SUISSE GUERNSEY	12/03/2019	6,400,000	6,458,176	2.93
1.1250	CAISSE CENT CREDIT IMMOB	22/04/2019	5,900,000	5,970,859	2.71
1.1250	CIE FINANCEMENT FONCIER	11/03/2019	6,400,000	6,464,000	2.93
1.1250	DNB BOLIGKREDITT AS	12/11/2018	6,400,000	6,434,496	2.92
1.2500	AGENCE FRANCAISE DEVELOP	25/05/2019	5,100,000	5,173,848	2.35
1.2500	BELFIUS BANK SA/NV	28/01/2019	6,400,000	6,457,985	2.93
1.2500	NORDEA MORTGAGE BANK PLC	14/01/2019	6,400,000	6,455,233	2.93
1.3750	COMMONWEALTH BANK AUST	22/01/2019	6,400,000	6,460,479	2.93
1.6250	DEXIA CREDIT LOCAL	29/10/2018	9,500,000	9,562,415	4.34
2.0000	ING Bank NV	28/08/2020	5,300,000	5,562,615	2.52
4.1000	Spain (Kingdom of)	30/07/2018	16,080,000	16,135,315	7.32
4.8750	BANK OF SCOTLAND PLC	04/06/2019	6,400,000	6,707,584	3.04
<b>Total transferable securities and money-market instruments admitted to an official stock exchange listing</b>				<b>178,755,130</b>	<b>81.05</b>
<b>Other transferable securities and money market instruments</b>					
<b>EUR</b>					
	Banque Federative du Credit Mutuel SA	24/09/2018	6,500,000	6,506,022	2.95
	BNP Paribas Fortis SA	02/08/2018	7,500,000	7,502,941	3.40
	KBC Bank NV	22/08/2018	7,500,000	7,504,499	3.40
<b>Total other transferable securities and money market instruments</b>				<b>21,513,462</b>	<b>9.75</b>
<b>Total investment portfolio</b>				<b>200,268,592</b>	<b>90.80</b>
<b>Other assets and liabilities</b>				<b>20,272,995</b>	<b>9.20</b>
<b>Total net assets</b>				<b>220,541,587</b>	<b>100.00</b>

# Robeco High Yield Bonds Feeder Fund – zero duration

## Investment portfolio

	Quantity	Market Value in EUR x 1	In % of net assets
<b>At 30 June 2018</b>			
<b>Robeco Funds</b>			
<b>EUR</b>			
Robeco High Yield Bonds Z2H USD	10,575 *	1,052,104	94.31
		<b>1,052,104</b>	<b>94.31</b>
<b>Total investment portfolio</b>		<b>1,052,104</b>	<b>94.31</b>
<b>Other assets and liabilities</b>		<b>63,425</b>	<b>5.69</b>
<b>Total net assets</b>		<b>1,115,529</b>	<b>100.00</b>

# Robeco Financial Institutions Bonds Feeder Fund – zero duration

## Investment portfolio

	Quantity	Market Value in EUR x 1	In % of net assets
<b>At 30 June 2018</b>			
<b>Robeco Funds</b>			
<b>EUR</b>			
Robeco Financial Institutions Bonds Z2H EUR	6,149 *	599,112	94.71
		<b>599,112</b>	<b>94.71</b>
<b>Total investment portfolio</b>		<b>599,112</b>	<b>94.71</b>
<b>Other assets and liabilities</b>		<b>33,496</b>	<b>5.29</b>
<b>Total net assets</b>		<b>632,608</b>	<b>100.00</b>

# Robeco Global Credits Feeder Fund – zero duration

## Investment portfolio

	Quantity	Market Value in EUR x 1	In % of net assets
<b>At 30 June 2018</b>			
<b>Robeco Funds</b>			
<b>EUR</b>			
Robeco Global Credits Z2H EUR	9,400 *	946,553	95.23
		<b>946,553</b>	<b>95.23</b>
<b>Total investment portfolio</b>		<b>946,553</b>	<b>95.23</b>
<b>Other assets and liabilities</b>		<b>47,386</b>	<b>4.77</b>
<b>Total net assets</b>		<b>993,939</b>	<b>100.00</b>