ARTICLE
For professional investors
January 2017

ROBECO
The Investment Engineers

Research shows link between sustainability and competitiveness in mining

Jaap Smit
Credit Analyst
Industrials & Tech

Iva Koçi
Research associate
Credit team

- Recycling is not an imminent threat to primary commodity supply
- Valuable metals like gold can be linked to higher country risk
- GHG emissions per production unit are an indicator of profitability

Robeco views sustainability as a long term-driver of companies' performance. In a recent study, we analyzed the link between sustainability and financial performance for three metals with distinctive mining processes, i.e. copper, iron ore and gold. We looked into three aspects: the impact of recycling, the degree of country risk and the link between a miner's greenhouse gas emissions and cost base.

Mining operations have a considerable impact on the environment and the community in which they operate. Miners are increasingly expected to demonstrate responsible stewardship in order to secure access to shared resources such as land and water. As mining companies have had to broaden their operations in emerging countries, risks are being exacerbated. Adding up lower ore grades, corruption and dewatering, the industry's ESG risks require proper consideration and management.

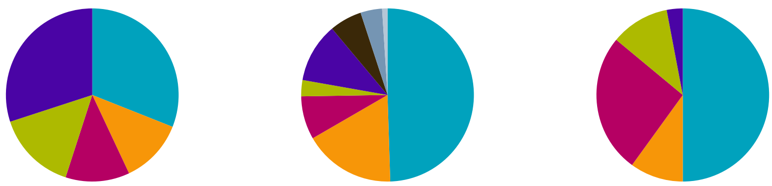
'Miners with lower GHG emissions also have lower costs'

Copper, iron ore and gold

Iron ore operations are simpler than copper or gold operations, due to open pit mining and high grades (50%-60% Fe). Copper and gold on the other hand involve complex processing methods. However, many copper miners do not go through the whole processing chain, but often only sell copper concentrate (≈20%-30% Cu). Copper concentrate, which is the result of the flotation process, is the most basic form of sold copper product. The concentrate is afterwards smelted and refined by third parties. Mining and milling the ore remains the dominant factor determining the emission profile of copper, accounting for 57% (Memary et al. 2012) of emissions. Smelting ranks second by 27% of total emissions.

Copper is mainly used in equipment (31%[1]) and construction (30%), due to its high conductivity of heat and electricity and corrosion resistant specificity. In steel, the end product of iron ore, even 50% is used for construction. As for gold, half of global production goes into jewelries.

Figure 1 | Use of copper, steel and gold



Copper end usage 2015	
Equipment	31%
Industrial	12%
Transport	12%
Infrastructure	15%
Building construction	30%

Steel end usage 2015	
Construction	49%
Mechanical engineering	17%
Automotive	8%
Domestic appliances	3%
Metal products	11%
Oil & Gas	6%
Transport	4%
Defence	1%

Gold usage 2015	
Jewlery	50%
Incestment demand	10%
Industrial demand	26%
Central bank purchase	11%
Other	3%

Source: International Copper Association, World Steel Association, Thomson Reuters

Recycling as a proportion of supply is expected to remain stable

The first ESG aspect we researched is the impact of recycling on commodity supply. From an ESG point of view, recycling is a positive development. Generally the recycling rate is linked to the stage of development of a country or region. Further development of countries like China can lead to more secondary recycled material coming onto the market and is competing with primary sourced material by the mining industry. Is this an imminent threat to the mining industry?

We looked at trends in recycling rates over the last decade. In Table 1 we can see that the copper recycling input rate[2] has been stable over the last decade. Global copper demand is forecasted to increase by 2% per year. Recycling is expected to follow the same trend. As a consequence, the recycling input rate is foreseen to remain stable in the 30% - 35% range. The Chinese market, as one of the main domains in copper usage, has been favoring primary

[1] 2015 figures
[2] Recycling input rate = (Scrap used/Total copper usage)

sourced copper concentrate to secondary supply. The financial crisis, new supply and a more mature economic growth in China led to lower copper concentrate prices. The relatively competitive price of primary mined copper is hindering significant new recycling investments there. More demand combined with higher prices is a better environment for more recycling capacity to come online.

A similar pattern can be drawn for iron ore. Scrap is integrated into ore production through Electric Arc Furnaces (EAF) as an alternative method of steelmaking to Blast Furnaces (BF). Table 1 displays EAF production market share as well as scrap purchases for steelmaking. New EAF capacity is now only being built in Saudi Arabia given low construction costs, a higher variable base and proximity to ports.

Table 1. Recycling rates in copper, iron ore and gold

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Copper										
Word scrap use	7,696	8,456	8,082	8,093	8,244	8,804	8,351	8,276	7,968	
Recycling input rate	35%	36%	35%	35%	34%	35%	33%	32%	29%	
Iron ore										
Scrap purchases for steelmaking		343	335	265	340	370	370	375	378	355
Change			*-2%*	*-21%*	*28%*	*9%*	*0%*	*1%*	*1%*	*-6%*
EAF steel production %	32%	32%	32%	29%	29%	30%	29%	26%	26%	28%
Gold										
Recycled gold (% of total gold supply)	35%	33%	39%	42%	39%	37%	37%	30%	26%	27%

Source: International Copper Study Group, World Steel Association, Thomson Reuters

Gold recycling is closely related to the gold price as well as economic indicators. The gold price is strongly correlated with the general price level (inflation) in the long run, but it fluctuates considerably in the short run due to political and financial turmoil, as well as changes in exchange rates and real interest rates. In periods of distress, when prices go up due to the safe haven effect and more economic distress in countries and households, there is a higher incentive to sell gold for recycling. If an economic crisis will return we expect to see higher recycling rates in gold coming back.

The conclusion is that the recycling of the three metals will remain rather stable in the near term and will not impact primary supply. With more secondary material becoming available in Asia over the next decades, the balance is likely to shift slowly but only when it becomes economically attractive vis-à-vis primary supply.

Country risk: largest for gold

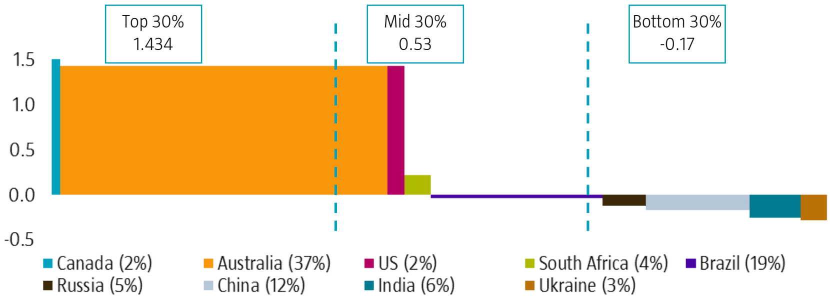
The second topic of our research is the degree of country risk involved in the mining of the three metals. Anecdotal evidence suggests that some mining operations are more risky than others. We take an empirical approach by testing the hypothesis of country risk differences across metals. We constructed a tailor-made country risk index based on indicators we consider relevant for the mining sector. We built an equally weighted index considering four components being: environmental policy, political stability, institutional framework and competitiveness of countries. The methodology uses a weighted z-score to rank the world's countries. The most stable countries have the highest z-scores and vice versa.

We use the RobecoSAM Country Sustainability Ranking, which builds on the results of RobecoSAM's semi-annual country sustainability assessment. RobecoSAM evaluates countries via a structured framework covering a broad range of ESG factors that we consider to be relevant for investors from a risk-return perspective. The resulting scores offer insights into the investment risks and opportunities associated with each country and provide investors with a better frame of reference for making comparisons among countries and regions. For a more detailed outline of the methodology used, please refer to the brochure "Measuring Country Intangibles"[3]. We display the country risk distribution within iron ore, copper and gold operations by comparing the riskiness profile of the countries contributing up to 90% of global production. The remaining 10% was neglected as it was usually labelled under other countries.

The three figures below show a country's share in global production on the x-axis, and the z-score on the y-axis. Figure 2, for example, shows that Australia accounts for the largest part of global iron ore production and that this country is also very sustainable, as it has the second highest z-score after Canada. In Figure 3, we see that Congo, where a relatively large amount of copper is mined, has a very negative z-score.

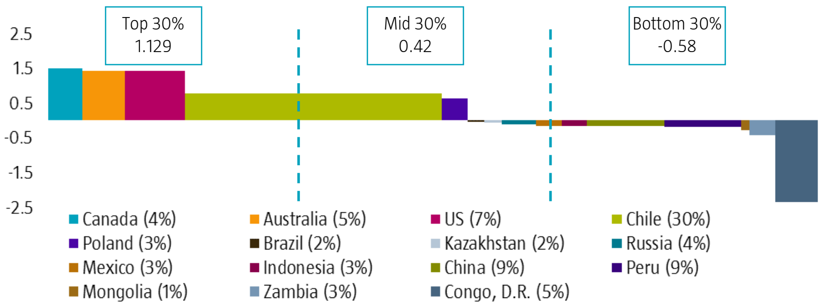
[3] Measuring country intangibles", June 2015, available on www.robecosam.com

Figure 2 | Iron ore - country risk distribution



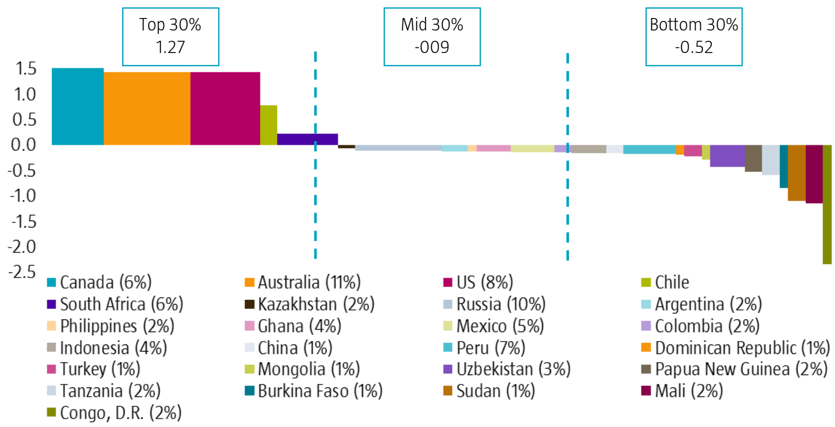
Source: RobecoSAM, Statista

Figure 3 | Copper - country risk distribution



Source: RobecoSAM, Statista, Bloomberg

Figure 4 | Gold - country risk distribution



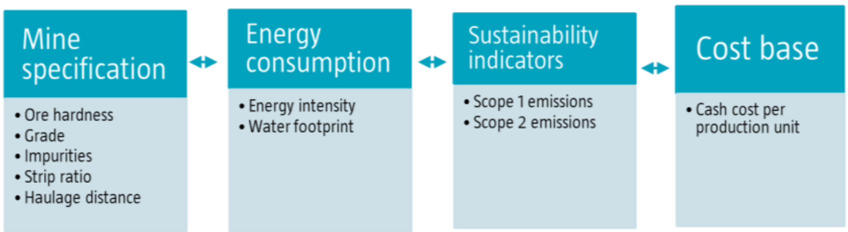
Source: RobecoSAM, Metals focus

Gold operations involve a larger 'tail risk', followed by copper and iron ore. We interpret this as a tendency of gold miners to extend their operations into more risky countries. This is not only because of the price reward but also due to the fact that the geological deposits tend to be found in less stable regions. The opposite takes place for iron ore which, being a bulky product at considerably higher grades (50%-60%), is mainly mined in more stable countries. Nevertheless, one should be careful to generalize as iron ore can be found in less stable countries as well, such as Liberia, and gold in more stable countries such as the US and Canada. We take this type of information into account in the investment analysis.

The link between sustainability and profitability

The Greenhouse Gas Protocol has been very influential in defining how organizations should manage and report their greenhouse gas (GHG) emissions, including the establishment of three categories of emissions (Scope 1, Scope 2, Scope 3):

- Scope 1: Direct GHG emissions occur from sources that are owned or controlled by the company
- Scope 2: GHG emissions from the generation of purchased electricity consumed by a company
- Scope 3: All other indirect emissions; scope 3 emissions are rarely reported by mining companies



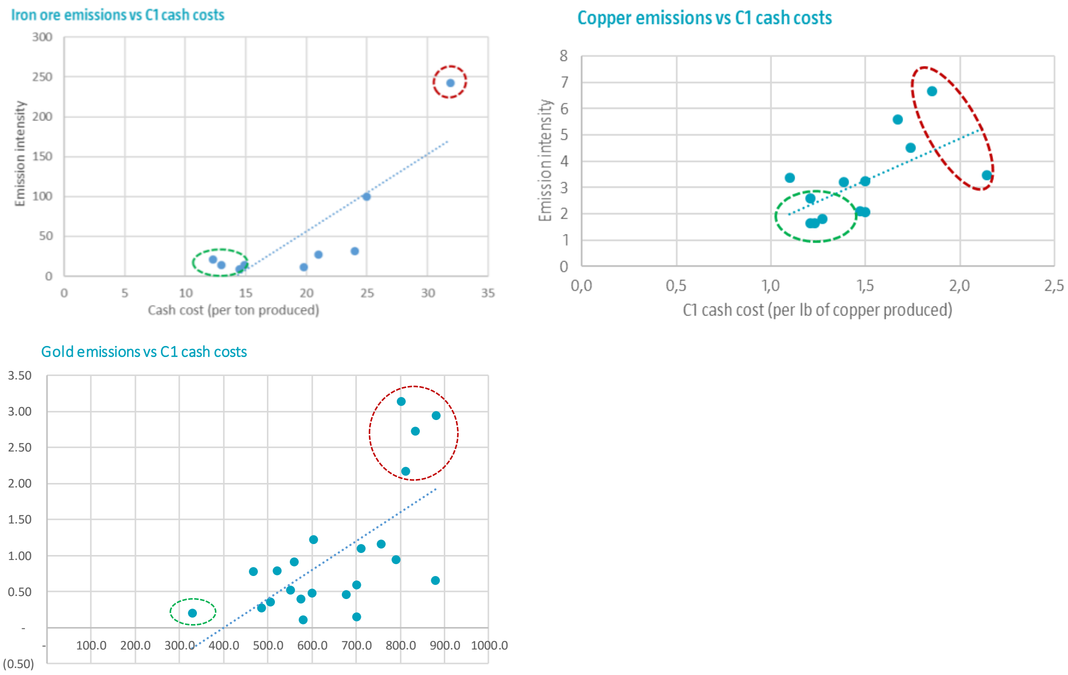
Geologic features, such as grade, ore hardness, and stripping ratio[4], have a direct impact on the energy and water intensity of operations. For instance, low grades, deep underground mining with long haulage distances and a large stripping ratio, result in more energy and water intense operations and, consequently, significant greenhouse gas emissions. The question is whether more emissions (Scope 1 + Scope 2) also imply a higher cost base. Although the relationship may seem straightforward intuitively, Macquarie, BofA Merril Lynch and Citi Bank estimate that energy accounts for only 10% to 20% of the total cost depending on location. Labor has a larger impact, as it is the most significant cost factor in both copper and iron ore mining regardless of the location.

We collected the information on cash cost, production, Scope 1 and Scope 2 emissions from annual reports, sustainability reports and climate change reports from the CDP (Carbon Disclosure Project) on pure copper, iron ore and gold miners. We excluded operations in their end-life to ensure we only analyze mines on a going concern basis. For copper mines, we considered only copper concentrate producers.

[4] The ratio of the amount of waste material required to extract a tonnage of ore

The evidence we find suggests a significant positive relationship between miners' cost base and emissions per unit of production of iron ore, copper and gold. The relationship is more significant for iron ore, where we calculate an R-squared of 69% compared to an R-squared of 38% for copper miners and 42% for gold producing companies. The best performing low emission, low cost miners are located in the bottom left area while the worst producers are located in the top right segments in the graphs below.

Figure 5 | Relationship between emissions and costs



Source: Company reports

Conclusion: emission level is an indicator of competitiveness

We conclude that miners with lower emissions per unit of material produced are also miners with a lower cost base. For investors, we therefore regard emissions per production unit as a valuable indicator to assess miner competitiveness. On top of that, from a portfolio perspective, investors should allocate their money not only to competitive low emission mines but also to a mix of assets with lower country risk when possible.

Important Information

Robeco Institutional Asset Management B.V., hereafter Robeco, has a license as manager of UCITS and AIFs from the Netherlands Authority for the Financial Markets in Amsterdam. This statement is intended for professional investors. Therefore, the information set forth herein is not addressed and must not be made available, in whole or in part, to other parties, such as retail clients. Robeco disclaims all liability arising from users other than those specified herein. Without further explanation this presentation cannot be considered complete. It is intended to provide the professional investor with general information on Robeco's specific capabilities, but does not constitute a recommendation or an advice to buy or sell certain securities or investment products. All rights relating to the information in this presentation are and will remain the property of Robeco. No part of this presentation may be reproduced, saved in an automated data file or published in any form or by any means, either electronically, mechanically, by photocopy, recording or in any other way, without Robeco's prior written permission. The information contained in this publication is not intended for users from other countries, such as US citizens and residents, where the offering of foreign financial services is not permitted, or where Robeco's services are not available. The prospectus and the Key Investor Information Document for the Robeco Funds can all be obtained free of charge at www.robeco.com. Investment involves risks. Before investing, please note the initial capital is not guaranteed. The value of the investments may fluctuate. Past performance is no guarantee of future results. Historical returns are provided for illustrative purposes only. The price of units may go down as well as up and the past performance is not indicative of future performance. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.

Additional Information for investors with residence or seat in France

Robeco is having the freedom to provide services in France. Robeco France has been approved under registry number 10683 by the French prudential control and resolution authority (formerly ACP, now the ACPR) as an investment firm since 28 September 2012. Robeco France is only authorized to offer investment advice service to professional investors.

Additional Information for investors with residence or seat in Germany

This information is solely intended for professional investors or eligible counterparties in the meaning of the German Securities Trading Act.

Additional Information for investors with residence or seat in Italy

This document is considered for use solely by qualified investors and private professional clients (as defined in Article 26 (1) (d) of Consob Regulation No. 16190). If made available to Distributors and individuals authorized by Distributors to conduct promotion and marketing activity, it may only be used for the purpose for which it was conceived. Therefore, the information set forth herein is not addressed and must not be made available, in whole or in part, to other parties, such as retail clients. Robeco disclaims all liability arising from uses other than those specified herein.

Additional Information for investors with residence or seat in Spain

The Spanish branch Robeco Institutional Asset Management BV, Sucursal en España, having its registered office at Paseo de la Castellana 42, 28046 Madrid, is registered with the Spanish Authority for the Financial Markets (CNMV) in Spain under registry number 24.

Additional Information for investors with residence or seat in Switzerland

This document is exclusively distributed in Switzerland to qualified investors as such terms are defined under the Swiss Collective Investment Schemes Act (CISA). RobecoSAM AG has been authorized by the FINMA as Swiss representative of the Fund(s), and UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, postal address: Badenerstrasse 574, P.O. Box, CH-8098 Zurich, as Swiss paying agent. The prospectus, the key investor information documents (KIIDs), the articles of association, the annual and semi-annual reports of the Fund(s), as well as the list of the purchases and sales which the Fund(s) has undertaken during the financial year, may be obtained, on simple request and free of charge, at the head office of the Swiss representative RobecoSAM AG, Josefstrasse 218, CH-8005 Zurich.
If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The value of the investments may fluctuate. Past performance is no guarantee of future results.

The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.
The prices used for the performance figures of the Luxembourg-based funds are the end-of-month transaction prices net of fees up to 4 August2010. From 4 August 2010, the transaction prices net of fees will be those of the first business day of the month. Return figures versus the benchmark show the investment management result before management and/or performance fees; the fund returns are with dividends reinvested and based on net asset values with prices and exchange rates of the valuation moment of the benchmark. Please refer to the prospectus of the funds for further details. The prospectus is available at the company's offices or via the www.robeco.ch website. Performance is quoted net of investment management fees. The ongoing charges mentioned in this publication is the one stated in the fund's latest annual report at closing date of the last calendar year.

The material and information in this document are provided "as is" and without warranties of any kind, either expressed or implied. Robeco and its related, affiliated and subsidiary companies disclaim all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose.
All information contained in this document is distributed with the understanding that the authors, publishers and distributors are not rendering legal, accounting or other professional advice or opinions on specific facts or matters and accordingly assume no liability whatsoever in connection with its use. In no event shall Robeco and its related, affiliated and subsidiary companies be liable for any direct, indirect, special, incidental or consequential damages arising out of the use of any opinion or information expressly or implicitly contained in this document

Additional Information for investors with residence or seat in the United Kingdom

Robeco is subject to limited regulation in the UK by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request.

Additional Information for investors with residence or seat in Hong Kong

Investment returns not denominated in HKD/USD are exposed to exchange rate fluctuations. Investors should refer to the fund's Hong Kong prospectus before making any investment decision. Investors should ensure that they fully understand the risk associated with the fund. Investors should also consider their own investment objective and risk tolerance level. Any opinions, estimates or forecasts may be changed at any time without prior warning. If in doubt, please seek independent advice. The content of this document is based upon sources of information believed to be reliable. This fund may use derivatives as part of its investment strategy and such investments are inherently volatile and this fund could potentially be exposed to additional risk and cost should the market move against it. Investors should note that the investment strategy and risks inherent to the fund are not typically encountered in traditional equity long only funds. In extreme market conditions, the fund may be faced with theoretically unlimited losses. This document has not been reviewed by the Securities and Futures Commission. This document has been distributed by Robeco Hong Kong Limited ('Robeco'). Robeco is regulated by the Securities and Futures Commission in Hong Kong.

Additional Information for investors with residence or seat in Singapore

This document is not intended as a recommendation or for the purpose of soliciting any action in relation to Robeco Capital Growth Funds or other Robeco Funds (the "Fund") and should not be construed as an offer to sell shares of the Fund (the "Shares") or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer and solicitation.

Nothing in this document constitutes accounting, legal, regulatory, tax or other advice. Any decision to subscribe for interests in the Fund must be made solely on the basis of information contained in the prospectus (the "Prospectus"), which information may be different from the information contained in this document, and with independent analyses of your investment and financial situation and objectives. The information contained in this document is qualified in its entirety by reference to the Prospectus, and this document should, at all times, be read in conjunction with the Prospectus. Detailed information on the Fund and associated risks is contained in the Prospectus. Any decision to participate in the Fund should be made only after reviewing the sections regarding investment considerations, conflicts of interest, risk factors and the relevant Singapore selling restrictions (as described in the section entitled "Important Information for Singapore Investors") contained in the Prospectus. You should consult your professional adviser if you are in doubt about the stringent restrictions applicable to the use of this document, regulatory status of the Fund, applicable regulatory protection, associated risks and suitability of the Fund to your objectives.

This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject the Fund and its investment manager to any registration or licensing requirement within such jurisdiction. Investors should note that only the sub-funds listed in the appendix to the section entitled "Important Information for Singapore Investors" of the Prospectus (the "Sub-Funds") are available to Singapore investors. The Sub-Funds are notified as restricted foreign schemes under the Securities and Futures Act,

Chapter 289 of Singapore ("SFA") and are invoking the exemptions from compliance with prospectus registration requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The Sub-Funds are not authorised or recognised by the Monetary Authority of Singapore and Shares in the Sub-Funds are not allowed to be offered to the retail public in Singapore. The Prospectus of the Fund is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Sub-Funds may only be promoted exclusively to persons who are sufficiently experienced and sophisticated to understand the risks involved in investing in such schemes, and who satisfy certain other criteria provided under Section 304, Section 305 or any other applicable provision of the SFA and the subsidiary legislation enacted thereunder. You should consider carefully whether the investment is suitable for you.
This document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies and such projection or forecast is not indicative of the future or likely performance of the Fund. Neither the Fund, its investment manager nor any of their associates, nor any director, officer or employee accepts any liability whatsoever for any loss arising directly or indirectly from the use of this document. The information contained in this document, including any data, projections and underlying assumptions are based upon certain assumptions, management forecasts and analysis of information available as at the date of this document and reflects prevailing conditions and our views as of the date of the document, all of which are accordingly subject to change at any time without notice and the Fund and its investment manager are under no obligation to notify you of any of these changes. Prospective investors should not view the past performance of the Fund or its investment manager as indicative of future results.

Additional Information for investors with residence or seat in Shanghai
This material may not be copied or used with the public. This material is prepared by Robeco Investment Management Advisory (Shanghai) Limited Company (Robeco Shanghai for short) and is only provided to the specific objects under the premise of confidentiality. This material must not be wholly or partially reproduced, distributed, circulated, disseminated, published or disclosed, in any form and for any purpose, to any third party without prior approval from Robeco Shanghai. The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but Robeco Shanghai does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. Neither Robeco Shanghai or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein. The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations which involve assumptions, risks, and uncertainties and is only as current as of the date indicated. Based on this, there is no assurance that such events will occur, and may be significantly different than that shown here, and we cannot guarantee that these statistics and the assumptions derived from the statistics will reflect the market conditions that may be encountered or future performances of Robeco Shanghai. The information in this material is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. The information contained herein may not reflect the latest information on account of the changes and Robeco Shanghai is not responsible for the updating of the material or the correction of inaccurate or missing information contained in the material. Robeco Shanghai has not yet been registered as the private fund manager with the Asset Management Association of China. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Robeco Shanghai to any person to buy or sell any product. This material should not be viewed as a recommendation to buy or sell any investment products or to adopt any investment strategies. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Robeco Shanghai is a wholly foreign-owned enterprise established in accordance with the PRC laws, which enjoys independent civil rights and civil obligations. The statements of the shareholders or affiliates in the material shall not be deemed to a promise or guarantee of the shareholders or affiliates of Robeco Shanghai, or be deemed to any obligations or liabilities imposed to the shareholders or affiliates of Robeco Shanghai.

Additional Information for investors with residence or seat in Australia
This document is distributed in Australia by Robeco Hong Kong Limited (ARBN 156 512 659) ('Robeco') which is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order 03/1103. Robeco is regulated by the Securities and Futures Commission under the laws of Hong Kong and those laws may differ from Australian laws. This document is distributed only to "wholesale clients" as that term is defined under the Corporations Act 2001 (Cth). This document is not for distribution or dissemination, directly or indirectly, to any other class of persons. It is being supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any purpose. In New Zealand, this document is only available to wholesale investors within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 ('FMCA'). This document is not for public distribution in Australia and New Zealand.

Additional Information for investors with residence or seat in the Dubai International Financial Centre (DIFC), United Arab Emirates
Robeco Institutional Asset Management B.V. (Dubai Office), Office 209, Level 2, Gate Village Building 7, Dubai International Financial Centre, Dubai, PO Box 482060, UAE. Robeco Institutional Asset Management B.V. (Dubai office) is regulated by the Dubai Financial Services Authority ("DFSA") and only deals with Professional Clients and does not deal with Retail Clients as defined by the DFSA.

Additional Information for investors with residence or seat in Brazil
The fund may not be offered or sold to the public in Brazil. Accordingly, the fund has not been nor will be registered with the Brazilian Securities Commission - CVM nor have they been submitted to the foregoing agency for approval. Documents relating to the fund, as well as the information contained therein, may not be supplied to the public in Brazil, as the offering of the fund is not a public offering of securities in Brazil, nor used in connection with any offer for subscription or sale of securities to the public in Brazil.

Additional Information for investors with residence or seat in Colombia
This document does not constitute a public offer in the Republic of Colombia. The offer of the fund is addressed to less than one hundred specifically identified investors. The fund may not be promoted or marketed in Colombia or to Colombian residents, unless such promotion and marketing is made in compliance with Decree 2555 of 2010 and other applicable rules and regulations related to the promotion of foreign funds in Colombia. The distribution of this document and the offering of [Shares] may be restricted in certain jurisdictions. The information contained in this document is for general guidance only, and it is the responsibility of any person or persons in possession of this document and wishing to make application for the fund to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the fund should inform themselves of any applicable legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Additional Information for investors with residence or seat in Panama
The distribution of this fund and the offering of Shares may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of the prospectus of the fund and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile. This document does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

Additional Information for investors with residence or seat in Peru
The fund has not been registered before the Superintendencia del Mercado de Valores (SMV) and are being placed by means of a private offer. SMV has not reviewed the information provided to the investor. This document is only for the exclusive use of institutional investors in Peru and is not for public distribution.

Additional Information for investors with residence or seat in Uruguay
The sale of the fund qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The fund must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The fund is not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The fund corresponds to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

Additional Information for US offshore investors
The Robeco Capital Growth Funds have not been registered under the United States Investment Company Act of 1940, as amended, nor the United States Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly in the United States or to any US Person. A US Person is defined as (a) any individual who is a citizen or resident of the United States for federal income tax purposes; (b) a corporation, partnership or other entity created or organized under the laws of or existing in the United States; (c) an estate or trust the income of which is subject to United States federal income tax regardless of whether such income is effectively connected with a United States trade or business.