

# **ROBECO INTEREST PLUS FUNDS**

Société d'Investissement à Capital Variable - SICAV  
Incorporated under Luxembourg law

## **PROSPECTUS**

**June 2015**

**VISA 2015/99701-1097-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2015-07-03  
Commission de Surveillance du Secteur Financier



SUBSCRIPTIONS CAN ONLY BE ACCEPTED IF MADE ON THE BASIS OF THIS PROSPECTUS AND THE RELEVANT KEY INVESTOR INFORMATION DOCUMENT, THE LATEST AVAILABLE ANNUAL REPORT AND THE LATEST SEMI-ANNUAL REPORT, IF PUBLISHED THEREAFTER SHALL BE DEEMED TO FORM PART OF THE PROSPECTUS.

A LIST OF CLASSES OF SHARES IN ISSUE MAY BE OBTAINED AT THE REGISTERED OFFICE OF THE COMPANY ON REQUEST.

THE SHARES REFERRED TO IN THIS PROSPECTUS ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED HEREIN. IN CONNECTION WITH THE OFFER MADE HEREBY, NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, THE KEY INVESTOR INFORMATION DOCUMENT AND THE DOCUMENTS MENTIONED HEREIN, AND ANY PURCHASE MADE BY ANY PERSON ON THE BASIS OF STATEMENTS OR REPRESENTATIONS NOT CONTAINED IN OR INCONSISTENT WITH THE INFORMATION CONTAINED IN THIS PROSPECTUS IS UNAUTHORISED AND SHALL BE SOLELY AT THE RISK OF THE PURCHASER.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY US-PERSON OR ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT LAWFUL OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

SHAREHOLDERS, AND INTERMEDIARIES ACTING FOR PROSPECTIVE SHAREHOLDERS, SHOULD TAKE PARTICULAR NOTE THAT IT IS THE EXISTING POLICY OF THE COMPANY THAT US PERSONS (AS DEFINED ON PAGE 8) MAY NOT INVEST IN THE FUNDS, AND THAT INVESTORS WHO BECOME US PERSONS MAY BECOME SUBJECT TO COMPULSORY REDEMPTION OF THEIR HOLDINGS.

SHAREHOLDERS, AND INTERMEDIARIES ACTING FOR PROSPECTIVE SHAREHOLDERS, SHOULD ALSO TAKE PARTICULAR NOTE THAT THE COMPANY IS REQUIRED UNDER LUXEMBOURG LAW TO REPORT CERTAIN INFORMATION OF INVESTORS WHO ARE "SPECIFIED US PERSONS" (AS DEFINED ON PAGE 22) UNDER THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) OR INVESTORS OR INTERMEDIARIES WHO ARE NOT COMPLYING WITH FATCA.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS OR THE RISKS INVOLVED IN INVESTING IN THE COMPANY, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER.

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## GLOSSARY OF DEFINED TERMS

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus.

**Administration Agent**

RBC Investor Services Bank S.A. appointed by the Management Company to perform the administration functions.

**AUD**

Australian Dollar

**Auditor**

KPMG Luxembourg, Société coopérative, appointed by the Company as approved statutory auditor of the Company.

**Bank Business Day**

A Bank Business Day is each bank business day in Luxembourg which does not fall within a period of suspension of calculation of the Net Asset Value of the relevant Sub-fund(s) or Class of Share(s) and each Bank Business Day that the Board of Directors elects as a Bank Business Day taking into account that stock exchanges and regulated markets where a Sub-fund principally invests are open to permit sufficient trading and liquidity. A list of expected non-Bank Business Days per Sub-fund or specific Class of Share(s) shall be available at the registered office of the Company upon request and is also available on [www.robeco.com/luxembourg](http://www.robeco.com/luxembourg).

**CAD**

Canadian Dollar

**CHF**

Swiss Franc.

**Classes of Shares (or Share Classes or Classes)**

The Fund offers investors a choice of investment in one or more Classes of Shares within each Sub-fund. The assets of the Classes will be commonly invested, but between Classes of Shares a different sale or redemption charge structure, fee structure, minimum subscription amount, currency or dividend policy may be applied.

**Company**

Robeco Interest Plus Funds (also referred to as the "Fund") is a Luxembourg domiciled "Société d'investissement à capital variable" pursuant to the law of 10 August 1915 on commercial companies and to part I of the law of 17 December 2010 on undertakings for collective investment, as amended (the "Law"). The Company takes the form of an umbrella fund and is made up of several Sub-funds. Each Sub-fund may have one or more Classes of Shares. The Company currently comprises one single Sub-fund.

**Custodian**

The assets of the Fund are held under the custody or control of the Custodian, RBC Investor Services Bank S.A.

**Cut-off time**

A particular point in time specified in the Prospectus. Requests for Subscription, switch or Redemption of Shares received not later than the specified Cut-off time on the Bank Business Day before the Valuation Day will be dealt with at the appropriate Net Asset Value per Share calculated on the Valuation Day. Requests received after the Cut-off time shall be processed on the next following Bank Business Day.

**Directors**

The Board of Directors of the Fund (also the "Board", the "Directors" or the "Board of Directors").

**DKK**

Danish Krone

**EUR/Euro**

The official single European currency adopted by a number of EU Member States participating in the Economic and Monetary Union (as defined in European Union legislation). This definition also includes any possible future individual currencies of countries that currently adopt the Euro.

**Financial Year**

The business year of the Fund. The Financial Year of the Fund ends on the last day of December of each year.

**Fund**

Robeco Interest Plus Funds (also referred to as the "Company") is a Luxembourg domiciled "*Société d'investissement à capital variable*" pursuant to the law of 10 August 1915 on commercial companies and to part I of the Law. The Fund takes the form of an umbrella fund and is made up of several Sub-funds. Each Sub-fund may have one or more Classes of Shares. The Fund is currently made up of one single Sub-fund.

**GBP**

United Kingdom Pound Sterling.

**HKD**

Hong Kong Dollar

**Investment Adviser**

Robeco Institutional Asset Management B.V., appointed by the Management Company to handle the day-to-day management of part or all of the Fund's assets.

**Investment Sub-adviser**

Entities appointed by the Investment Adviser to handle the day-to-day management of some of the Sub-funds' assets (as disclosed, if applicable, in Appendix I).

**Investor**

A subscriber for Shares.

**Key Investor Information Document(s) or KIID(s)**

The key investor information document(s) as defined by the Law and applicable regulations, as may be amended from time to time.

**Management Company**

Robeco Luxembourg S.A. has been appointed by the Board of Directors as Management Company to be responsible on a day-to-day basis for providing administration, marketing, investment management and investment advisory services in respect of all Sub-funds. The Management Company has the possibility to delegate part of such functions to third parties.

**Minimum investment**

The minimum investment levels for initial and subsequent investments are specified in the Prospectus.

**MXN**

Mexican Peso

**Net Asset Value per Share**

The Net Asset Value (or "NAV") of the Shares of each Class is determined as set out in Section 2.5 "Calculation of the Net

Asset Value".

**NOK**

Norwegian Krone

**OECD**

Organisation for Economic Cooperation and Development.

**Paying Agent**

RBC Investor Services Bank S.A., appointed by the Fund to perform the paying agent functions.

**PLN**

Polish Zloty

**Prospectus**

This document, the Prospectus of Robeco Interest Plus Funds.

**Redemption of Shares**

Shares can at any time be redeemed and the redemption price per Share will be based upon the Net Asset Value per (Class of) Share. Redemptions of Shares are subject to the conditions and restrictions laid down in the Company's articles of incorporation (the "Articles of Incorporation") and in any applicable law.

**Reference currency (or Base currency)**

The currency used by a Sub-fund or Share Class for accounting purposes; note that it may differ from the currency (or currencies) in which the Sub-fund is invested.

**Registrar**

RBC Investor Services Bank S.A., appointed by the Management Company to maintain the register of Shareholders and to process the issue, switch and Redemption of Shares

**Regulated Market**

A market within the meaning of Article 4.1.14 of Directive 2004/39/EC or any directive updating or replacing Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognized and open to the public in an Eligible State.

**Regulation S**

A regulation of the Securities Act, as defined below, that provides an exclusion from the registration obligations imposed under Section 5 of the Securities Act for securities offerings made outside the United States by both U.S. and foreign issuers. A securities offering, whether private or public, made by an issuer outside of the United States in reliance on this Regulation S need not be registered under the Securities Act.

**Securities Act**

Refers to the US Securities Act of 1933, as may be amended from time to time.

**SEK**

Swedish Krona.

**Shares**

Shares of each Sub-fund will be offered in registered form. Shares may be issued in fractions.

**Shareholder**

A holder (person or entity) of Shares.

**SGD**

Singapore Dollar

**Sub-fund(s)**

The Fund offers investors a choice of investment in one or more Sub-funds which are distinguished mainly by their specific investment policy subject to the general restrictions which are applicable to the Fund and its Sub-funds. The specifications of each Sub-fund are described in Appendix I - Information per Sub-fund.

The Directors of the Company may at any time establish new Sub-funds.

**Subscription for Shares**

Shares will be issued on any Valuation Day at the offer price per Share of the corresponding Sub-fund, which will be based on the Net Asset Value per (Class of) Share calculated in accordance with the Articles of Incorporation of the Company, plus any applicable sales charge.

**Switch of Shares**

Any Shareholder may request the switch of all or part of his Shares to Shares of another Sub-fund or to Shares of another Class of the same Sub-fund.

**UCI**

An Undertaking for Collective Investment.

**UCITS**

An Undertaking for Collective Investment in Transferable Securities.

**USD**

United States Dollar.

**US Person**

The term "US Person" shall have the same meaning as in Regulation S as defined above which is the following:

- i) any natural person resident in the United States;
- ii) any partnership or corporation organized or incorporated under the laws of the United States;
- iii) any estate of which any executor or administrator is a US Person;
- iv) any agency or branch of a foreign entity located in the United States;
- v) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- vi) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States;
- vii) any partnership or corporation if:
  - A) organized or incorporated under the laws of any foreign jurisdiction; and
  - B) formed by a US Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts.

**Valuation Day**

Each Bank Business Day as above defined.

**JPY**

Japanese Yen.



## DIRECTORS AND ADMINISTRATION

**Directors:**

Dirk R. van Bommel  
Managing Director  
Robeco Group  
Rotterdam, The Netherlands

Stefan Gordijn  
Executive Director  
Robeco Group  
Rotterdam, The Netherlands

Edith J. Siermann  
Managing Director  
Robeco Group  
Rotterdam, The Netherlands

**Registered Office:**

11/13, Boulevard de la Foire  
L-1528 Luxembourg

**Management Company:**

Robeco Luxembourg S.A.  
Airport center  
5, Rue Heienhaff (2<sup>nd</sup> floor)  
L-1736 Senningerberg

**Auditor:**

KPMG Luxembourg, Société coopérative  
39, avenue J.F. Kennedy  
L-1855 Luxembourg

**Custodian, Paying Agent, Domiciliary Agent and Listing Agent:**

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

**Administration Agent and Registrar:**

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

**Investment Adviser**

Robeco Institutional Asset Management B.V.  
Coolensingel 120  
NL-3011 AG Rotterdam

**Representative in Switzerland:**

RobecoSAM A.G.  
Josefstrasse 218,  
8005 Zurich  
Switzerland

## SECTION 1 – THE FUND

### 1.1. Summary

Robeco Interest Plus Funds was originally established for an unlimited period of time under the name RG Money Plus Fund as an open-ended investment company, a *société d'investissement à capital variable*, based in Luxembourg issuing and redeeming its Shares upon request at prices based on the respective Net Asset Values. The name RG Money Plus Fund was changed into RG Interest Plus Funds on 8 August 1996 and into Robeco Interest Plus Funds on 29 November 2001.

The Company takes the form of an umbrella fund. It can be made up of several Sub-funds each representing a securities portfolio and other assets and liabilities corresponding to a different investment policy. The Board of Directors has authority to issue different Classes of Shares within a Sub-fund. Currently the Company comprises one Sub-fund.

The Directors of the Company may at any time establish new Sub-funds and/or may decide upon the issue of the following Classes of Shares:

Regular Share Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>	<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
Hedged Currency	DH	MH	BH	BxH	EH
Hedged Inflation					
Hedged Currency & Hedged Inflation	DHHi		BHHi		

Privileged Share Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>	<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
Hedged Currency	FH		CH	CxH	GH
Hedged Inflation					
Hedged Currency & Hedged Inflation	FHHi		CHHi		

Institutional Share Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>	<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
Hedged Currency	IH	ZH	IBH/ZBH/ZEH	IExH	IEH
Hedged Inflation					
Hedged Currency & Hedged Inflation	IHHi				

The aforementioned Share Classes in this Prospectus may be denominated in one or more of the following currencies: EUR, USD, GBP, CHF, JPY, CAD, MXN, HKD, SGD, SEK, NOK, DKK, PLN and AUD. The fees of aforementioned Share Classes will be set per Sub-fund and independently of the denomination of the Share Class. For example, a D EUR share class of Sub-fund A will have the same fee structure as a D USD share class of Sub-fund A. In appendix I a complete overview of the available Share Classes per Sub-fund as at the date of the Prospectus is provided. The Directors of the Company may at any time decide to issue within any Sub-fund additional Classes of Shares as above described and denominated in one of these currencies. A complete list of all available Share classes may be obtained, free of charge and upon request, from the registered office of the Company in Luxembourg.

The Directors of the Company will determine the investment policy of each Sub-fund. The Directors of the Company have delegated to the Management Company the implementation of the policies as further detailed hereinafter.

Shares of each Sub-fund will be issued at a price based on the Net Asset Value per Share of the relevant Sub-fund or Class plus a sales charge as determined in the chapter "Issue of Shares". Upon request, Shares will be redeemed at a price based upon the Net Asset Value per Share of the relevant Sub-fund or Class. Shares will be issued in registered form only. The latest offer and redemption prices are available at the registered office of the Company.

Certain Share Classes of the Sub-fund(s) are or will be listed on the Luxembourg Stock Exchange.

## 1.2. 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. For the purpose of the relations as between Shareholders, each Sub-fund is deemed to be a separate entity.

## SECTION 2 – THE SHARES

### 2.1. Classes of Shares

#### Regular Share Classes

Regular Share Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>	<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
<b>Hedged Currency</b>	DH	MH	BH	BxH	EH
<b>Hedged Currency &amp; Hedged Inflation</b>	DHHi		BHHi		

Class 'BH', 'DH', 'DHHi' and 'EH' Shares are available to all Investors. All other Shares are available in certain countries, subject to the relevant regulatory approval, through specific distributors, selected by the Board of Directors.

#### Privileged Share Classes

Privileged Share Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>	<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
<b>Hedged Currency</b>	FH		CH	CxH	GH
<b>Hedged Currency &amp; Hedged Inflation</b>	FHHi		CHHi		

All privileged Classes of Shares will be available in certain countries, subject to the relevant regulatory approval, through specific distributors who have separate fee arrangements with their clients, selected by the Board of Directors and other investors selected by the Board of Directors.

Privileged Share Classes will be Share Classes on which the Company will not pay distribution fees.

#### Institutional Share Classes

Institutional Share Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>	<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
<b>Hedged Currency</b>	IH	ZH	IBH/ZBH/ZEH	IExH	IEH
<b>Hedged Currency &amp; Hedged Inflation</b>	IHHi				

The possession, redemption and transfer of Institutional Classes of Shares is limited to institutional Investors as defined from time to time by the Luxembourg supervisory authority. The Company will not issue Institutional Classes of Shares or contribute to the transfer of Institutional Classes of Shares to non institutional Investors. If it appears that Institutional Classes of Shares are being held by non institutional Investors the Company will redeem these Shares.

Institutional Classes of Shares can only be placed through a direct account of the Shareholders with the Registrar.

All Institutional Classes of Shares except 'ZH', 'ZEH' and 'ZBH' have a minimum initial subscription amount of (the equivalent of) EUR 500,000. The Board of Directors can waive this minimum subscription amount at its discretion.

Class 'ZH', 'ZEH' and 'ZBH' Shares are only available to:

- (i) Institutional Investors who are (in)directly wholly or partly owned by Robeco Groep N.V. ("Members of the Robeco Group");
- (ii) Institutional Investors which consist of Investment fund(s) and/or investment structure(s) which are (co-) managed and/or (sub)advised by Members of the Robeco Group;
- (iii) Institutional Investors who are institutional clients of Members of the Robeco Group and are as such subject to separate (management, advisory or other) fees payable to such Members of the Robeco Group.

The ultimate decision whether an Institutional Investor qualifies for Class 'ZH', 'ZEH' and 'ZBH' Shares is at the discretion of the Board of Directors of the Company.

Class 'ZH', 'ZEH' and 'ZBH' Shares are designed to accommodate an alternative charging structure whereby a management and/or service fee normally charged to the Sub-fund and then reflected in the Net Asset Value is instead administratively levied and collected by such Member of the Robeco Group directly from the Shareholder.

Additional information can be obtained at the registered office of the Company.

### Hedging Transactions for certain Classes

#### Currency Hedged Classes:

Currency Hedged Share Classes (H)	Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>		<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
<b>Hedged Currency</b>	Retail	DH	MH	BH	BxH	EH
<b>Hedged Currency &amp; Hedged Inflation</b>	Retail	DHHi		BHHi		
<b>Hedged Currency</b>	Privileged	FH		CH	CxH	GH
<b>Hedged Currency &amp; Hedged Inflation</b>	Privileged	FHHi		CHHi		
<b>Hedged Currency</b>	Institutional	IH	ZH	IBH/ZBH	IExH	IEH/ZEH
<b>Hedged Currency &amp; Hedged Inflation</b>	Institutional	IHHi				

All Currency Hedged Share Classes (collectively or individually "Currency Hedged Class(es)"), engage in currency hedging transactions to preserve, to the extent possible, the currency of expression value of the Currency Hedged Class assets against the fluctuations of the currencies, with a substantial weight, in which the assets of the Sub-fund allocable to the Currency Hedged Class are denominated. If a Sub-fund uses a benchmark, the benchmark for the Currency Hedged Share Classes will be adjusted accordingly.

The Company intends in normal circumstances to hedge not less than 90% and not more than 110% of such currency exposure. Whenever changes in the value of such assets or in the level of Subscriptions for, or Redemptions of, Shares of the above named Classes may cause the hedging coverage to fall below 90% or exceed 110% of such assets, the Company intends to engage in transactions in order to bring the hedging coverage back within those limits.

#### Hedged Inflation Classes:

Hedged Inflation Share Classes (Hi)	Classes	Accumulating Classes		Distribution Classes		
<i>Additional attributes</i>		<i>Normal</i>	<i>Variant</i>	<i>Quarterly</i>	<i>Monthly</i>	<i>Annually</i>
<b>Hedged Currency &amp; Hedged Inflation</b>	Retail	DHHi		BHHi		
<b>Hedged Currency &amp; Hedged Inflation</b>	Privileged	FHHi		CHHi		
<b>Hedged Currency &amp; Hedged Inflation</b>	Institutional	IHHi				

The Company will, for the account of Hedged Inflation Share Classes (collectively or individually "Hedged Inflation Class(es)"), engage in inflation hedging transactions to preserve, to the extent possible, the real return of the Classes instead of the nominal return of the relevant Sub-fund. Please note that for Hedged Inflation Share Classes the benchmark of the Sub-fund will not be appropriate to measure the performance of these Share Classes and therefore no benchmark will be used to measure the performance.

The Company intends in normal circumstances to hedge not less than 80% and not more than 120% of such exposure. Whenever changes in the value of such assets or in the level of Subscriptions for, or Redemptions of, Shares of the above named Classes may cause the hedging coverage to fall below 80% or exceed 120% of such assets, the Company intends to engage in transactions in order to bring the hedging coverage back within those limits.

A list of all currently available Classes of Shares in the Company may be obtained at the registered office of the Company.

The attention of the Investors is drawn to the fact that the Company has 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 can move unfavorably vis-à-vis another Class as a result of hedging transactions.

## 2.2. Issue of Shares

Shares will be issued on any Valuation Day at the offer price per Share of the corresponding Sub-fund, which will be based on the Net Asset Value per (Class of) Share(s) calculated in accordance with the Articles of Incorporation of the Company and Section 2.5 "Calculation of the Net Asset Value", plus a sales commission for the benefit of those having placed the Shares of maximum 3%, except for Shares that are only available to institutional Investors for which the maximum sales commission will be 0.50%. Sales commissions may not be applied to Class 'ZH', 'ZEH' or 'ZBH' Shares. The percentages represent a percentage of the total subscription amount.

This commission rate is to be considered as a maximum rate and the sales agent(s) may decide at his (their) discretion to waive this sales commission in whole or in part.

The Shares may be subscribed directly at the registered office of the Registrar in Luxembourg or through the sales agents, a bank or a stockbroker. Shares in Robeco Interest Plus Funds can be held through several account systems in accordance with the conditions of these systems. A charge could be levied for purchases and also a custody fee could also be charged by these account systems. The allotment of Shares is conditional upon receipt of subscription monies. Any confirmation statement and any monies returnable to the Investor will be retained by the Company pending clearance of remittance.

Applications or Subscriptions for Classes of Shares received by the Registrar at its registered office not later than 3.00 p.m. (Luxembourg time) the Bank Business Day before the Valuation Day (T-1) will, if accepted, be dealt with at the appropriate Net Asset Value calculated on the Valuation Day. Requests received after 3.00 p.m. (Luxembourg time) shall be dealt with on the next Valuation Day.

The Company reserves the right to cancel the application if full payment is not made or is not expected to be made within two Bank Business Days after the day on which the offer price of the Shares is calculated, by bank transfer to - RBC Investor Services Bank S.A., reference: Robeco Interest Plus Funds (specifying the Sub-funds in which Shares have been subscribed, and the name of the applicant). In such circumstances the Company has the right to bring an action against the defaulting Investor to obtain compensation for any loss directly or indirectly resulting from the failure by the Investor to make good settlement by the due date. The payment must be made in the currency in which the relevant Class of Shares is denominated.

Information regarding the Net Asset Value of the different Classes can be obtained from the registered office of the Company.

The Company reserves the right to refuse any Subscription request at any time. Applications for Shares should be sent to the registered office of the Registrar or to a sales agent. If, in a jurisdiction in which Shares are sold, any issue or sales taxes become payable to the relevant tax administration, the subscription price will increase by that amount.

The Sub-funds may, from time to time, reach a size above which they may, in the view of the Company, become difficult to manage in an optimal manner. If this occurs, no new Shares in the Sub-funds will be issued by the Company. Shareholders should contact their local Robeco Distributor or the Company to enquire on opportunities for ongoing Subscriptions (if any).

Shares will only be issued in registered form. The Investor will receive confirmation of the entry in the register of Shareholders countersigned by the Registrar. The ownership of registered Shares will be established by an entry in the Register of Shareholders maintained by the Registrar

The Shares of each Sub-fund are upon issue entitled to participate equally in the profits and dividends of the relevant Sub-fund and in its assets and liabilities on liquidation. The Shares, which have no nominal value, carry no preferential or pre-emptive rights and each whole Share is entitled to one vote at all meetings of Shareholders. All Shares of the Company must be fully paid up.

Shares may be issued in fractions up to four decimal places. Rights attached to fractions of Shares are exercised in proportion to the fraction of a Share held, except that fractions of Shares do not confer any voting rights.

Investors may also purchase Shares by using nominee services offered by a distributor operating in compliance with applicable laws and regulations on the fight against money laundering and financing of terrorism. The relevant distributor will subscribe and hold the Shares as a nominee in its own name but for the account of the Investor. The Company draws the Investors' attention to the fact that any Investor should only be able to fully exercise his Shareholder rights directly against the Company, notably the right to participate in general shareholders' meetings if the Investor is registered himself and in his own name in the Shareholders' register of the Company. In cases where an Investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company. In that case investors should be aware that they cannot fully exercise their rights against the Company without the cooperation of the distributor. Investors who use a nominee service may however issue instructions to the distributor acting as nominee regarding the exercise of votes conferred by their Shares as well as request direct ownership by submitting an appropriate request in writing to the distributor. Investors are advised to take advice on their rights.

### 2.3. Switch of Shares

Any Shareholder may request the switch of all or part of his Shares to Shares of another Sub-fund or to Shares of another Class of the same Sub-fund available to him by advising the Registrar by letter or fax.

A switch request may not be accepted unless any previous transaction involving the Shares to be switched has been fully settled by the relevant Shareholder.

A Shareholder may not hold less than one Share as a result of a switch request. Unless waived by the Management Company, if, as a result of a switch request, a Shareholder holds less than one Share in a Class of any Sub-fund, his switch request will be treated as an instruction to switch his total holding in the relevant Class.

Barring a suspension of the calculation of the Net Asset Value, the switch will be carried out on the Valuation Day in conformity with the conditions as outlined in the Chapters "Issue of Shares" and "Redemption of Shares", at a rate calculated with reference to the Net Asset Value of the Shares of the relevant Sub-funds on that day.

Switch requests received by the Registrar at its registered office not later than 3.00 p.m. (Luxembourg time) the Bank Business Day before the Valuation Day (T-1) will, if accepted, be dealt with at the appropriate Net Asset Value calculated on the Valuation Day (T). Requests received after 3.00 p.m. (Luxembourg time) shall be handled on the next Valuation Day.

The rate at which all or part of the Shares in a given Class of a Sub-fund (the "original Class") are switched into a Class of Shares of the same or another Sub-fund (the "new Class of Shares") shall be determined according to the following formula:

$$A = \frac{B \times C \times E}{D}$$

A = the number of Shares from the new Class;

- B = the number of Shares from the original Class;
- C = the Net Asset Value per Share of the original Class on the day in question;
- D = the Net Asset Value per Share from the new Class on the day in question, and
- E = the average exchange rate on the day in question between the currency of the original Class and the currency of the new Class.

A maximum commission of 1% (of the total conversion amount) for the benefit of those having placed the Shares may be charged in case of a switch. After the switch, Shareholders will be informed by the Registrar or their sales agents of the number and price of the Shares from the new Class in the (new) Sub-fund which they have obtained from the switch.

#### 2.4. Redemption of Shares

Each Shareholder may at any time request the Company to redeem his Shares subject to the conditions and restrictions laid down in the Company's Articles of Incorporation and in any applicable law. Any Shareholder wishing to redeem part or all of his holding should send a completed redemption request to the sales agent or to the Registrar by mail or facsimile.

A request for Redemption may not be accepted unless any previous transaction involving the Shares to be redeemed has been fully settled by the relevant Shareholder.

A Shareholder may not hold less than one Share as a result of a request for Redemption. Unless waived by the Management Company, if, as a result of a Redemption a Shareholder holds less than a Share in a Class in any Sub-fund, his request will be treated as an instruction to redeem his total holding in the relevant Class.

The Board of Directors may authorize the Shares of the Company to be redeemed in kind by a transfer of securities, if it is on an equitable basis and not conflicting with the interests of the other Shareholders. The redeeming Shareholder will bear the costs associated with such redemption in kind (including the costs for the establishment of a valuation report by the Auditor, as required by Luxembourg law), unless the Board of Directors considers the redemption in kind to be in the interest of the Shareholders.

Requests for Redemptions of Classes of Shares received by the Registrar or a sales agent not later than 3.00 p.m. (Luxembourg time) the Bank Business Day in Luxembourg before the Valuation Day (T-1) will, if accepted, be dealt with at the appropriate Net Asset Value per Share calculated on the Valuation Day. Requests received after 3.00 p.m. (Luxembourg time) shall be dealt with on the next following Valuation Day (T+1). Requests for Redemption can only be placed through a direct account of the Shareholders with the Registrar.

The redemption price per Share will be based on the Net Asset Value per (Class of) Share calculated in accordance with the Articles of Incorporation and Section 2.5 Calculation of the Net Asset Value.

The Shares redeemed are cancelled. Payment for redeemed Shares will be made in the currency the relevant Share Class is denominated in within two Bank Business Days after the day on which the redemption price of the Shares is calculated by transfer to an account maintained by the payee. The redemption price of Shares of any Sub-fund may be more or less than the issue price thereof depending on the Net Asset Value per Share at the time of Subscription and Redemption.

The Shares can be redeemed through the sales agents, a bank or a stockbroker. Shares in Robeco Interest Plus Funds can be held through several account systems in accordance with the conditions of these systems. A charge could be levied for Redemptions and a custody fee could also be charged by these intermediaries.



## 2.5. Calculation of the Net Asset Value

The Net Asset Value per Share of a Class of each Sub-fund of the Company and the issue, switch and redemption price are determined in the currency the relevant Share Class is denominated, by the Administration Agent as of each Valuation Day. The Net Asset Value per Share of a Class of each Sub-fund shall be calculated by dividing the Sub-fund's assets less liabilities attributed to this Share Class (converted into the Reference currency of the relevant Share Class at exchange rates prevailing on that Valuation Day) by the number of Shares in that Share Class outstanding on the applicable Valuation Day. To the extent feasible, expenses, fees and income will be accrued on a daily basis.

For each Sub-fund the Company may issue different Classes of Shares, e.g. Capital Growth Classes and Distributing Classes. The latter will entitle Shareholders to a distribution of income. Capital Growth Classes will not entitle Shareholders to a distribution. Income from Capital Growth Classes shall be reflected in their Net Asset Value.

Each time income is distributed on Distribution Classes, the Net Asset Value of the Shares in the relevant Class will be reduced by the amount of the distribution (this means the percentage of the Net Asset Value attributable to the relevant Class will decline), while the Net Asset Value of the Capital Growth Classes (as defined below) will remain unchanged (this means the percentage of the Net Asset Value attributable to the relevant Capital Growth Classes will increase).

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

- (a) transferable securities, money market instruments and/or financial derivative instruments listed on a Regulated Market will be valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security or asset. Should the last available market price for a given transferable security, money market instrument and/or financial derivative instrument not truly reflect its fair market value, then that transferable security, money market instrument and/or financial derivative instrument shall be valued on the basis of the probable sales prices which the Board of Directors deems is prudent to assume;
- (b) transferable securities and/or money market instruments not listed on a Regulated Market, will be 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 will be valued by the Board of Directors on the basis of the probable sales price which the Board of Directors deems is prudent to assume.
- (c) the financial derivative instruments which are not listed on a Regulated Market will be valued in a reliable and verifiable manner on a daily basis, in accordance with market practice;
- (d) Shares or units in underlying open-ended investment funds shall be valued at their last available net asset value, reduced by any applicable charges;
- (e) assets or liabilities denominated in other currencies than the currency the relevant Sub-fund of Shares is denominated in will be converted into this currency at the rate of exchange ruling on the relevant Bank Business Day in Luxembourg;
- (f) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt any other appropriate valuation principles for the assets of the Company;
- (g) Sub-funds primarily invested in markets which are closed for business at the time the Sub-fund is valued 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 movement, 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 on Redemption, other Shareholders may suffer a dilution in the value of their investment.

To prevent this, the Company 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.

### Swing pricing

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

The basis on which the assets of each Sub-fund are valued for the purposes of calculating the Net Asset Value per Share is set out above. However, the actual cost of purchasing or selling assets and investments for a Sub-fund may deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to e.g. fiscal charges, foreign exchange costs, market impact, broker commissions, custody transaction charges and spreads from buying and selling prices of the underlying investments ("Spreads"). These costs ("The Cash Flow Costs") have an adverse effect on the value of a Sub-fund and are known as "dilution".

To mitigate the effects of dilution, the 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.

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

- (a) a Sub-fund is in continual decline (i.e. is experiencing a net outflow of Redemptions);
- (b) a Sub-fund is experiencing large levels of net Subscriptions relevant to its size;
- (c) a Sub-fund is experiencing a net Subscription position or a net Redemption position on any Valuation Day;
- (d) in any other case where the Directors are of the opinion that the interests of Shareholders require the imposition of a dilution adjustment.

The dilution adjustment will involve adding to, when the Sub-fund is in a net Subscription position, and deducting from, when the Sub-fund is in a net Redemption position, the Net Asset Value per Share such figure as the Directors consider represents an appropriate figure to meet The Cash Flow Costs. The resultant amount will be the Price rounded to such number of decimal places as the Directors deem appropriate. For the avoidance of doubt, Shareholders placed in the same situation will be treated in an identical manner.

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

On the occasions when the dilution adjustment is not made there may be an adverse impact on the total assets of a Sub-fund.

## 2.6. Temporary Suspension of the determination of the Net Asset Value

The determination of the Net Asset Value and hence the issues, switches and Redemptions of Shares for one and all Sub-funds, may be limited or suspended in the interest of the Company and its Shareholders if at any time the Board of Directors believes that exceptional circumstances constitute forcible reasons for doing so, for instance:

- (a) if any exchange or Regulated Market on which a substantial portion of any Sub-fund's investments is quoted or dealt in, is closed other than for ordinary holidays, or if dealings on any such exchange or market are restricted or suspended;
- (b) if the disposal of investment by any Sub-fund cannot be effected normally or without seriously prejudicing the interests of the Shareholders or the Company;
- (c) during any breakdown in the communications normally employed in valuing any of the Company's assets or when for any reason the price or value of any of the Company's assets cannot promptly and accurately be ascertained, or
- (d) during any period when the Company is unable to repatriate funds for the purpose of making payments on Redemption of Shares or during which any transfer of funds involved in the realization or acquisition of investments or payments due on Redemption of Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange.
- (e) in case of a decision to liquidate the Company, a Sub-fund or a Class of Shares hereof on or after the day of publication of the related notice to Shareholders;
- (f) during any period when in the opinion of the Board of Directors of the Company there exist circumstances outside of the control of the Company where it would be impracticable or unfair towards the Shareholders to continue dealing in a Sub-fund or a Class of Shares of the Company; and
- (g) during any period when the determination of the net asset value per share of investment funds representing a material part of the assets of the relevant Class of Shares is suspended.

Notice of the suspension and lifting of any such suspension will - if appropriate - be published in such newspapers of the countries where the Company's Shares are offered for sale, as decided by the Board of Directors.

Shareholders who have applied to purchase, redeem or switch Shares will be notified in writing of any such suspension and will be promptly informed when it has been lifted.

During such a period, Shareholders may withdraw their request, free of charge, to purchase, redeem or switch. Such suspension of any Sub-fund of Shares shall have no effect on the calculation of the Net Asset Value, the issue, Redemption and switch of the Shares of any other Sub-fund.

## 2.7. Dividend policy

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

1. For the **accumulation Classes of Shares** (collectively or individually "Capital Growth Classes"). Income will be automatically reinvested and added to the relevant Sub-fund and will thus contribute to a further increase in value of the total net assets.

2. For the **distribution Classes of Shares** (collectively or individually "Distributing Classes").  
After the end of the Financial Year, the Company can recommend what distribution shall be made from the net investment income and net capital gains attributable to the Distributing Classes. 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.
3. **General remarks**  
The Company may at its discretion pay dividend out of the capital attributable to the Distributing Classes. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions of dividends may result in an immediate reduction of the Net Asset Value per Share.  
As provided by 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 distribute interim dividends and may decide to pay dividends in Shares.

If dividends are distributed, payments of cash dividends to registered Shareholders will be made in the currency of the relevant Share Class to such Shareholders at the addresses they have given to the Registrar.

Dividend announcements (including names of paying agents) and all other financial notices concerning Robeco Interest Plus Funds shall be published on [www.robeco.com/luxembourg](http://www.robeco.com/luxembourg) and where legally/regulatory required. Dividends not collected within five years will lapse and accrue for the benefit of the Company in accordance with Luxembourg law.

## 2.8. Taxation

Investors should consult their professional advisors on the possible tax and other consequences prior to the investment in a Sub-fund of the Company.

### A. Taxation of the Company

There are no Luxembourg income, withholding or capital gains taxes payable by the Company. The Company is, however, liable in Luxembourg to an annual duty ("taxe d'abonnement") at the rate of 0.05% (0.01% in case of Institutional Classes of Shares) of its net assets calculated and payable at the end of each quarter. The value of assets represented by units held in other UCIs benefit from an exemption from the *taxe d'abonnement*, provided such units have already been subject to this tax. Income received by the Company on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

*This information is based on the current Luxembourg law, regulations and practice and is subject to changes therein.*

### B. Taxation of the Shareholders

*Tax Considerations for individuals resident or residual entities established in the EU or in certain third countries or dependent or associated territories of the EU member states.*

The Council of the EU has adopted on 3 June 2003 a Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "Savings Directive"). Under the Savings Directive, EU member states (the "Member States") are required to provide the tax authorities of another Member State with information on payments of interest or other similar income (within the meaning of the Savings Directive) paid by a paying agent (within the meaning of the Savings Directive) to an individual beneficial owner who is a resident, or to certain residual entities (within the meaning of the Savings Directive) established, in that other Member State.

Under the Luxembourg law dated 21 June 2005 (the “2005 Law”), implementing the Savings Directive, as amended by the Law of 25 November 2014, and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU (“Territories”), a Luxembourg-based paying agent is required as from 1 January 2015 to report to the Luxembourg tax authorities the payment of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain residual entities resident or established in another Member State or in the Territories, and certain personal details on the beneficial owner. Such details will be provided by the Luxembourg tax authorities to the competent foreign tax authorities of the state of residence of the beneficial owner (within the meaning of the Savings Directive).

Under current legislation, distributions by the Company will fall within the scope of the Savings Directive if the SICAV invests 15 % or more of its assets in debt claims (within the meaning of the Savings Directive).

Payment of proceeds upon the sale, refund or Redemption of Shares in the Company will fall within the scope of the 2005 Law if the Company invests directly or indirectly 25 % or more of its assets in debt claims within the meaning of the 2005 Law.

However, on 24 March 2014 the Council of the European Union adopted Council Directive 2014/48/EU amending the Savings Directive (the “Amending Directive”). Member States have to adopt and publish by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with the Amending Directive. The Amending Directive enlarges inter alia the scope of the Savings Directive by extending the definition of interest payments and will cover income distributed by or income realized upon the sale, refund or Redemption of shares or units in undertakings for collective investment or other collective investment funds or schemes, that either are registered as such in accordance with the law of any of the Member States or of the countries of the European Economic Area which do not belong to the EU, or have fund rules or instruments of incorporation governed by the law relating to collective investment funds or schemes of one of these States or countries, irrespective of the legal form of such undertakings, funds or schemes and irrespective of any restriction to a limited group of investors, in case such undertakings, funds or schemes invest, directly or indirectly, a certain percentage of their assets in debt claims as defined under the amended Savings Directive.

Also Investors should note that certain jurisdictions are considering entering into or may have entered into, Automatic Exchange of Information Agreements (“AEOI”) under which relevant tax authorities that collect information on investors under applicable local law, may share information on investors resident in another jurisdiction with the tax authority in that jurisdiction where an AEOI is in place between such jurisdictions. The scope and application of information reporting and exchange pursuant to such AEOIs may be subject to review by the relevant jurisdictions, and the rules in this respect may also change.

In addition the European Commission made proposals to revise the EU Directive on Administrative Cooperation (DAC) to include the requirement of Member States to adopt and implement legislation to automatic exchange information between EU Member States by incorporating the Common Reporting Standards (CRS) issued by the OECD. The revised DAC was officially adopted by the European Council at an ECOFIN meeting of 9 December 2014. EU Member States will have to begin the automatic exchange of information under the revised DAC no later than end of September 2017. In addition, Austria announced that it will join the other Member States and exchange information by September 2017. EU Member States need to adopt local legislation consistent with the revised DAC no later than 31 December 2015. It is expected due to the introduction of the revised DAC the EUSD will be withdrawn.

#### C. Foreign Account Tax Compliance Act (“FATCA”)

The Hiring Incentives to Restore Employment Act (the “Hire Act”) was signed into US law in March 2010. It includes provisions generally known as FATCA. The intention of FATCA is that details of US investors holding assets outside the US will be reported by financial institutions to the U.S. Internal Revenue Services (the “IRS”), as a safeguard against US tax evasion. This regime became effective in phases starting as from 1 July 2014.

In order to enable Luxembourg Financial Institutions to comply, on 28 March 2014 Luxembourg concluded an agreement (IGA) with the U.S. to improve international tax compliance and provide for the implementation of FATCA based on domestic reporting and reciprocal automatic exchange pursuant to the convention between the Luxembourg and the U.S. for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital as amended by the Protocol of 20 May 2009.

As a result of this IGA, Luxembourg will issue Luxembourg regulation to implement the terms and conditions set forth under the IGA. Under these Luxembourg regulations Reporting Luxembourg Financial Institutions need to comply with certain registration requirements, need to register with the IRS, need to identify U.S. reportable accounts and accounts held by Nonparticipating Financial Institutions and report certain information regarding these accounts to the Luxembourg competent authorities. The Luxembourg competent tax authorities will automatically exchange this information to the IRS.

The Company is a Reporting Luxembourg Financial Institution and is registered as such before 5 May 2014. Subsequently, in order to comply, the Company will require shareholders to provide mandatory documentary evidence of their tax residence or their compliance with FATCA as a financial institution.

Shareholders, and intermediaries acting for prospective shareholders, should therefore take particular note that the Company will be required to report to the Luxembourg competent tax authorities certain information of investors who become "Specified US person" or investors who are non-U.S. Entities with one or more Controlling Persons that are a Specified U.S. Person or payments to entities that are Nonparticipating Financial Institutions within the meaning of the IGA.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- (i) the Company (or its agent) may be required to disclose to the Luxembourg competent tax authorities certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;
- (ii) the Luxembourg competent tax authorities may be required to automatically exchange information as outlined above with the IRS;
- (iii) the Company (or its agent) was and in the future may be required to disclose to the IRS, to the extent permitted by applicable laws, or to the Luxembourg competent tax authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent) with further enquiries;
- (iv) the Company may require the investor to provide additional information and/or documentation which the Company may be required to disclose to the Luxembourg competent tax authorities;
- (v) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned; and
- (vi) no investor affected by any such action or remedy shall have any claim against the Company (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with any of the IGA or any of the relevant underlying legislation.

In cases where investors invest in the Company through an intermediary, investors are reminded to check whether such intermediary is FATCA compliant. If you are in any doubt, you should consult your tax advisor, stockbroker, bank manager, solicitor, accountant or other financial adviser regarding the possible implications of FATCA on an investment in the Company and/or any Sub-fund(s).

## SECTION 3 – GENERAL INFORMATION

### 3.1. Fees and Expenses

#### 1. Expenses

The Company and its different Sub-funds and Classes pay directly

- a) the normal commissions on transactions and banking, brokerage and custody fees relating to the assets of the Company or expenses incurred in respect thereof, such as proxy voting costs;
- b) the costs of establishing the Company and the Sub-funds have been paid entirely. In case where further Sub-funds are created in future, these Sub-funds will bear, in principle, their own formation expenses;
- c) the taxe d'abonnement as described under section "Taxation" and taxes in relation to the investments (such as withholding taxes) and transactions (such as stamp duties).

#### 2. Management fee

The different Sub-funds and Classes will incur an annual management fee as reflected for each sub-fund in Appendix I which reflects all expenses related to the management of the Company which is payable to the Management Company. The Management Company will be responsible for the fees of the Investment Adviser.

#### 3. Service fee

Furthermore, the Company or the different Sub-funds or Classes will incur a fixed annual service fee payable to the Management Company reflecting all remaining expenses such as the fees of the Domiciliary and Listing Agent, the Administration Agent, the Registrar, auditors, legal and tax 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 the operational expenses, and the cost of holding Shareholders meetings. The annual service fee will be payable at a maximum rate of 0.12% per annum of the monthly average Net Asset Values of the relevant Share Class of a Sub-fund for the portion of assets under management up to EUR 1 billion. Any increase in the current rates of the service fee up to such maximum rate will only be implemented upon giving not less than 1 month's notice to affected Shareholders. If the assets of a Share Class of a Sub-fund exceed EUR 1 billion, a 0.02% discount on the service fee of the relevant Share Class of the Sub-fund applies to the assets above this limit and a further 0.02% discount applies to assets over EUR 5 billion. However, the annual service rate cannot be less than 0.01% for a specific Share Class. Where a Class refers to payment of 0.00% annual service fee, the costs covered by the annual service fee incurred by the relevant Class are borne by Robeco.

#### 4. Custody fee

The average custody fee of the Company will be approximately 0.02% of the average net assets of the Company, depending on the net assets of the Company and the transactions made. The fees per Sub-fund may however be higher or lower than the average fees indication. Detailed information on the average custody fee of each Sub-fund is available in the annual report of the Company.

#### 5. Other information

All expenses of a periodical nature are charged first to the investment income of the Company, then to the realized capital gains and finally to the assets of the Company.

The annual charges, both management fee and service fee, which are expressed as a percentage of the Net Asset Value, are detailed in Appendix I "Information per Sub-fund". The charges are paid monthly on basis of the average Net Asset Value of the relevant period and are reflected in the Share price. Expenses exceeding the relevant percentages and expenses not covered by these fees, will be borne by the Management Company.

### 3.2. Late trading or market timing

Late Trading is to be understood as the acceptance of a Subscription, switch or Redemption order after the Cut-off time on the relevant Valuation Day and the execution of such order at the price based on the Net Asset Value applicable to such Valuation Day.

Market timing ("Market Timing") is to be understood as an arbitrage method through which an Investor systematically subscribes and redeems or converts Shares of the Company within a short time period, by taking advantage of time differences and /or imperfections or deficiencies in the method of determination of the Net Asset Value of the Shares.

In order to protect the Company and its Investors against Late Trading and Market Timing practices the following prevention measures are adopted:

1. No Subscriptions, switches or Redemptions after the Cut-off time in Luxembourg are accepted.
2. The Net Asset Value is calculated after the Cut-off time ("forward pricing").

Subscriptions, switches or Redemptions received from a distributor after the Cut-off time in Luxembourg in respect of orders received prior to this Cut-off time in Luxembourg will be accepted if transmitted to the Registrar within a reasonable timeframe as agreed from time to time with the Management Company.

On an annual basis the Auditor of the Company reviews the compliance rules with respect to the Cut-off time. In order to protect the interests of the Company and its Shareholders, the Company will monitor transactions in and out of the Sub-funds on Market Timing activities. The Company does not permit practices related to Market Timing and the Company does reserve the right to reject Subscription and switch orders from an Investor in this context.

### 3.3. Pooling and co-management

For the purposes of efficient management and to reduce administrative costs and if permitted by the investment policies of the Sub-funds, the Board of Directors may decide to co-manage some or all of the assets of certain Sub-funds and other Luxembourg UCIs of the Robeco Group ("co-managed units"). In this case, the assets from different Sub-funds 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 Sub-fund will have its own assets allocated to it.

When the assets of a Sub-fund are managed using this technique, the assets initially attributable to each co-managed Sub-fund will be determined according to the units' initial participation in the pool. Thereafter, the composition of the assets will vary according to contributions or withdrawals made by the units.

This apportionment system applies to each investment line of the pool. Additional investments made by the co-managed compartments will therefore be allocated to these Sub-funds according to their respective entitlements, while assets sold will be similarly deducted from the assets attributable to each of the co-managed units.

All banking transactions involved in the running of the Sub-fund (dividends, interest, non-contractual fees, expenses) will be accounted for in the pool and reassigned from an accounting point of view to the co-managed units, on a pro rata basis on the day the transactions are recorded (provisions for liabilities, bank recording of income and/or expenses). On the other hand, contractual fees (e.g. for custody, administration and management) will be accounted for directly in the respective co-managed units.



The assets and liabilities attributable to each Sub-fund will be identifiable at any given moment and remain legally segregated.

The pooling method will comply with the investment policy of each of the Sub-funds concerned.

### 3.4. Management Company

The Directors of the Company have appointed Robeco Luxembourg S.A. as the management company of the Company to be responsible on a day-to-day basis, under supervision of the Directors of the Company, for providing administration, marketing, investment management and investment advisory services to the Company. The Management Company has delegated its investment management and investment advisory functions to Robeco Institutional Asset Management B.V.

The Management Company has delegated the administration functions and registrar and transfer functions to RBC Investor Services Bank S.A.

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 Law. The Management Company is a member of the Robeco Group and also acts as a management company for Robeco Capital Growth Funds, Rorento, Robeco Lux-o-rente and Robeco All Strategies Funds.

The Board of Directors of the Management Company is composed of:

- Stefan Gordijn (Executive Director, Robeco Group);
- Volker Wytzes (Head of Fund Administration, Robeco Group);
- Mikan G. van Zanten (President of Robeco Luxembourg S.A., Robeco Group).

The conducting officers of the Management Company are:

- Mikan G. van Zanten (President of Robeco Luxembourg S.A., Robeco Group);
- Thomas Goergen (Managing Partner and Board Member, Luxembourg Investment Solutions S.A.).

The capital of the Management Company is EUR 2.5 million at the date of this Prospectus.

The Management Company shall ensure compliance of the Company with the investment restrictions and oversee the implementation of the Company's strategies and investment policy.

The Management Company shall send reports to the Directors on a periodical basis and inform each board member without delay of any active breach by the Company of the investment restrictions.

The Management Company will receive periodic reports from the Investment Adviser and other service providers.

Additional information which the Management Company must make available to investors in accordance with Luxembourg laws and regulations such as but not limited to shareholder complaints handling procedures, conflicts of interest rules, voting rights policy of the Management Company etc., shall be available at the registered office of the Management Company.

### 3.5. Investment Adviser

Robeco Institutional Asset Management B.V. ("RIAM") an investment management company, forming part of the Robeco Group of Rotterdam, the Netherlands will manage the assets of the Company on a day-to-day basis. The Investment Advisory Agreement between the Management Company and RIAM was concluded on 29 September 2005, for an undetermined period. It may be terminated on one year's notice in writing, except if the interests of the Shareholders otherwise require.

RIAM advocates sustainability investing which covers environmental, social and corporate governance issues. More

information on this topic can be found on [www.robeco.com/si](http://www.robeco.com/si).

RIAM has been authorized to delegate its investment management functions to the Investment Sub-advisers (under its own liability and at its own costs) mentioned, if applicable, in Appendix 1 "Information per Sub-fund".

The Company's investment policy will be determined by the Board of Directors of the Company. It will be the Investment Adviser who makes the decision to buy, sell or hold a particular asset, but always under the overall control and review of the Management Company. The Investment Adviser shall not be responsible for the investment decisions made by the Board of Directors of the Company, the Management Company or the bodies or persons acting under their authority.

### 3.6. Structure and purpose

The Company, incorporated to exist for an undetermined period, was created on 2 June 1992. 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. They were last amended on 28 June 2012 and those amendments were published in the Mémorial on 3 August 2012 and 10 October 2012.

The Company is a "*société d'investissement à capital variable*" pursuant to part I of the Law. It is registered under number B 40 490 in the Register of Commerce and Companies of Luxembourg where its consolidated Articles of Incorporation have been deposited and are available for inspection and where copies thereof may be obtained upon request.

The minimum capital is EUR 1,250,000. For the purpose of determining the capital of the Company, the net assets attributable to each Sub-fund, if not expressed in Euro, will be converted into Euro, and the capital of the Company shall be the sum of the assets of all the Sub-funds. 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.

The Company's assets are subject to normal market fluctuations as well as to the risks inherent to investments in securities and no assurance can therefore be given that the Company's investment objectives will be achieved.

### 3.7. Custodian, paying agent, listing agent and domiciliary agent

The Company has entered into an agreement with RBC Investor Services Bank S.A.

RBC Investor Services Bank S.A. is registered with the Luxembourg Company Register (RCS) under number B-47192 and has been incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended, and specializes in custody, fund administration and related services. Its equity capital as at 31 October 2014 amounted to approximately EUR 924.594.413.

The agreement provides that all securities and cash of the Company are to be held by or to the order of the Custodian. The Custodian will also be responsible for the collection of principal and income on, and the payment for and collection of proceeds of, securities bought and sold by the Company. This agreement is concluded for an undetermined duration but it may be terminated subject to ninety days' notice in writing by either party. The Custodian is authorized to deposit the Company's assets on usual commercial terms with financial institutions in Luxembourg or in other countries either in the Custodian's name, sub-account of the Company, or directly in the Company's name but then only provided the Custodian completely controls the use of these assets.

The Custodian must moreover:

- (a) ensure that the sale, issue, Redemption and cancellation of Shares effected by the Company are carried out in accordance with the law and the Articles of Incorporation;

- (b) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits;
- (c) ensure that the income of the Company is applied in accordance with the Articles of Incorporation.

The agreement also provides that RBC Investor Services Bank S.A. shall act as the principal paying agent in connection with the payment of dividends on the Shares of the Company. Pursuant to a second agreement between the Company and RBC Investor Services Bank S.A., the latter shall also provide the domiciliary services and act as a listing agent to the Company.

### 3.8. Administration Agent and Registrar

By an Investment Fund Service Agreement, RBC Investor Services Bank S.A. has been appointed by the Management Company as Administration Agent. As such, RBC Investor Services Bank S.A. is responsible for the general administrative functions required by Luxembourg law, calculating the Net Asset Value and maintaining the accounting records of the Company.

RBC Investor Services Bank S.A. has also been appointed by the Management Company as Registrar to the Company.

In its capacity as Registrar, RBC Investor Services Bank S.A. is responsible for processing the issue, switching and Redemption of Shares and maintaining the register of Shareholders.

### 3.9. Meetings and Reports

The Company's Financial Year ends on the last day of December of each year. Audited reports will be published and made available to Shareholders within 4 months of the end of each Financial Year and unaudited semi-annual reports will be published and made available to Shareholders within 2 months of the end of the period they cover. The annual general meeting of Shareholders will be held in Luxembourg, on the last Thursday of the month of May at 2.00 p.m. The annual general meeting will represent all the Shareholders of the Company, and its resolutions shall be binding upon all Shareholders of the Company regardless of the Sub-fund of which they are Shareholders.

However, if the decisions are only concerning the particular rights of the Shareholders of one Sub-fund or if the possibility exists of a conflict of interest between Shareholders of different Sub-funds, such decisions are to be taken by a general meeting representing the Shareholders of such Sub-funds. Notices of general meetings, including the agenda, time and place as well as the applicable quorum and majority requirements, will be sent to Shareholders to their address reflected in the register of Shareholders of the Company, published on [www.robeco.com/Luxembourg](http://www.robeco.com/Luxembourg) and published in those newspapers as the Board of Directors shall determine from time to time. Annual reports including the audited accounts of the Company, as well as semi-annual reports will be available at the registered office of the Company in Luxembourg.

### 3.10. Liquidation and merger

#### Liquidation of the Company

The Company may be liquidated:

- by resolution of the general meeting of Shareholders of the Company adopted in the manner required for amendments of the Articles of Incorporation.
- if its capital falls below two thirds of the minimum capital, which is EUR 1,250,000, the Directors must submit the question of dissolution of the Company to a general meeting for which no quorum shall be prescribed and which shall decide by simple majority of the Shares represented at the meeting.
- if its capital falls below one fourth of the minimum capital, the Directors must submit the question of the dissolution to a general meeting for which no quorum shall be prescribed. Dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Company be liquidated, then the liquidation will be carried out in accordance with the provisions of the Law. The net assets of each Sub-fund, as determined by the liquidator, will be distributed to the Shareholders of each Sub-fund in proportion to their shareholdings, taking account of the rights attached to the individual Class of Shares. Amounts unclaimed at the close of liquidation will be deposited in escrow at the Caisse de Consignation in Luxembourg for the benefit of the persons entitled thereto. Amounts not claimed within the prescribed period may be forfeited in accordance with applicable provisions of Luxembourg law.

#### **Liquidation and merger of Sub-funds**

Under the conditions set out in the Law and applicable regulations, any merger of a Sub-fund with another Sub-fund or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the meeting of Shareholders of the Sub-fund concerned. In the latter case, no quorum is required for this meeting and the decision for the merger is taken by a simple majority of the votes cast. In the case of a merger of a Sub-fund where, as a result, the Company ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of Shareholders resolving at simple majority of the votes cast.

In addition, if at any time the Board of Directors determines upon reasonable grounds that:

- (i) the continued existence of any Sub-fund would contravene the securities or investment or similar laws or requirements of any governmental or regulatory authority in Luxembourg or any other country in or from which the Company is established and managed or the Shares are marketed; or
- (ii) the continued existence of any Sub-fund would result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which it might not otherwise have incurred or suffered; or
- (iii) the continued existence of any Sub-fund would prevent or restrict the sale of the Shares in any such country as aforesaid; or
- (iv) in the event that a change in the economical or political situation relating to a Sub-fund so justifies; or
- (v) in the event that the total Net Asset Value of any Sub-fund is less than the amount which the Board of Directors considers as being the minimum amount required for the existence of such Sub-fund in the interest of the Shareholders,

then, the Board of Directors may decide the liquidation of a Sub-fund.

A notice of the decision to liquidate will be published by the Company prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Sub-fund concerned may continue to request Redemption or conversion of their shares free of charge. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-fund concerned, for example, when the beneficiaries cannot be located, will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

### **3.11. Liquidation and Merger of Classes of Shares**

The Board of Directors may further decide to liquidate a Class of Shares under the same circumstances as provided in the preceding paragraph. A notice of the decision to liquidate will be given by the Company to the Shareholders of the Class of Shares concerned prior to the effective date of the liquidation and the notice will indicate the reasons for, and the procedures of, the liquidation operation. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders concerned may continue to request Redemption or conversion of their Shares free of charge. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Class of Shares concerned, will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

The Board of Directors can also decide to cancel the Shares of one Class of a Sub-fund by consolidating or amalgamating it with another Class of the same Sub-fund. This decision shall be taken and a prior notice shall be published and/or notified in accordance with the Law and the applicable regulations.

The Board of Directors may also submit the question of the consolidation of Shares of a Class to a meeting of Shareholders of such Class. Such meeting will resolve on the consolidation with a simple majority of the votes cast.

### 3.12. Transactions with connected persons

Cash forming part of the property of the Company may be placed as deposits with the Custodian, Management Company, Investment Adviser, Investment Sub-advisers or with any connected persons of these companies (being an institution licensed to accept deposits) as long as that institution pays interest thereon at no lower rate than is, in accordance with normal banking practice, the commercial rate for deposits of the size of the deposit in question negotiated at arm's length.

Money can be borrowed from the Custodian, Management Company, the investment advisers or any of their connected persons (being a bank) so long as that bank charges interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with normal banking practice, the commercial rate for a loan of the size and nature of the loan in question negotiated at arm's length.

Any transactions between the Company and the Management Company, the investment advisers or any of their connected persons as principal may only be made with the prior written consent of the Custodian.

All transactions carried out or on behalf of the Company must be at arm's length and executed on the best available terms. Transactions with persons connected to the Management Company or investment advisers may not account for more than 50% of the Company's transactions in value in any one Financial Year of the Company.

The Management Company, the investment advisers or any of their connected persons will not receive cash or other rebates from brokers or dealers in respect of transactions for the Company. In addition, neither the Management Company nor the investment advisers currently receive any soft dollars arising out of the management of the Company.

### 3.13. Data protection and voice recording

The Company, the Management Company and the Administrative Agent may collect personal data from an Investor from time to time for the purpose of managing the business relationship between the Company and the relevant Investor, including the processing of Subscriptions and Redemption orders, the keeping of shareholders' register of the Company and the provision of financial and other information to the shareholders, and in order to comply with their applicable legal or regulatory obligations, including anti-money laundering or tax reporting obligations.

By subscribing, switching or redeeming Shares of the Company, investors consent to the use of personal data by the Company, the Management Company and/or the Administrative Agent. The Company, the Management Company and/or the Administrative Agent may disclose personal data to their agents, service providers or if required to do so by force of law to the regulatory authority indicated in the relevant laws and regulations, such as, but not limited to, Luxembourg or foreign (ultimately) tax authorities or Luxembourg financial intelligence units. Investors will upon written request be given access to personal data provided to the Company, the Management Company and/or the Administrative Agent. Investors may request in writing the rectification of, and the Company and the Administrative Agent will upon written request rectify, personal data. All personal data will not be held by the Company, the Management Company and/or the Administrative Agent for longer than necessary with regard to the purpose of the data processing. The Company and/or the Administrative Agent may need to disclose personal data to entities including governmental agencies or tax authorities located in jurisdictions outside the European Union, which may not have developed an adequate level of data protection legislation. Any such transfer shall be done in compliance with Luxembourg data protection legislation in respect of personal data and for the purposes above mentioned.

Investors agree that telephone conversation with the Company, the Custodian and the Administrative Agent may be recorded. Recordings will be conducted in compliance with the Luxembourg applicable laws and regulations. Recordings may be produced in court or other legal proceedings with the same value in evidence as a written document.

### 3.14. Documents available for inspection

The following documents are available for inspection at the registered office of the Company and at the office of the Custodian:

1. the Articles of Incorporation, the Prospectus of the Company and the Key Investor Information Documents of the Sub-funds;
2. the Custody and Paying Agent Agreement between the Company and RBC Investor Services Bank S.A.;
3. the Domiciliary and Listing Agent Agreement between the Company and RBC Investor Services Bank S.A.;
4. the Management Fund Service Agreement between the Company and the Management Company;
5. the Investment Advisory Agreement between the Management Company and Robeco Institutional Asset Management B.V.;
6. the Service Agreement between the Management Company and RBC Investor Services Bank S.A.; and
7. Robeco's Risk management process

Copies of the Articles of Incorporation, the Prospectus, the annual and semi-annual reports of the Company and the Key Investor Information Documents of each Sub-fund may be obtained free of charge from the registered office of the Company and the office of the Custodian. Such reports and documents shall be deemed to form part of this Prospectus.

## SECTION 4 – RISK CONSIDERATIONS

Potential investors in Shares should be aware that considerable financial risks are involved in an investment in any of the Sub-funds. The value of the Shares may increase or decrease depending on the development of the value of the Sub-fund's investments. For this reason, potential investors must carefully consider all information in the Prospectus before deciding to buy Shares. In particular, they should in any case consider the following significant and relevant risks as well as the investment policy of Sub-funds.

A Sub-fund may own securities of different types, or from different asset classes – equities, bonds, money market instruments, derivatives – depending on the Sub-fund's investment objectives. Different investments have different types of investment risk. The Sub-funds also have different kinds of risk, depending on the securities they own.

Below is a summary of the various types of investment risk that may be applicable to the Sub-funds. Depending on their investment policy, the Sub-funds may be exposed to specific risks including those mentioned below. Sub-funds may not necessarily be exposed to all the risks listed below. Specific risks of the Sub-funds may be disclosed in Appendix I. Measures taken to manage and mitigate the financial risks are not mentioned in this paragraph but are discussed in Appendix III - Financial risk management.

Prospective investors should read the entire Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in any Sub-fund.

### a) General investment risk

The value of the investments may fluctuate. Past performance is no guarantee of future results. The value of a Share depends upon developments on 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. Within the general investment risk a distinction can be made between several risk types:

#### **Market risk**

The value of the Shares is sensitive to market fluctuations in general, and to fluctuations in the price of individual financial instruments in particular. In addition, investors should be aware of the possibility that the value of investments may vary as a result of changes in political, economic or market circumstances, as well as changes in an individual business situation. 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, a Sub-fund may invest in financial instruments from issuing institutions that (mainly) operate within the same sector or region, or on the same market. If this is the case – due to the concentration of the investment portfolio of the Sub-funds - events that have an effect on these issuing institutions may have a greater effect on the Sub-funds' Assets than in the case of a less concentrated investment portfolio.

#### **Currency risk**

All or part of the securities portfolio of the Sub-funds may be invested in transferable securities, money market instruments, UCITS or other UCIs and other eligible financial instruments denominated in currencies other than the Base currency of a Sub-fund. As a result, fluctuations in the exchange rate may have both a negative and a positive effect on the investment result of the Sub-funds.

#### **Inflation risk**

As a result of inflation (reduction in value of money), the actual investment income of each Sub-fund may be eroded.

***Risk related to fixed income securities******Credit risk***

Investments in fixed income securities are subject to credit risks. Lower-rated or unrated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated or unrated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated or unrated securities, and it may be harder to buy and sell securities at an optimum time. There is also a risk that the bond issuer will default in the payment of its principal and/or interest obligations.

"Investment grade" debt securities and instruments may be subject to the risk of being downgraded to securities/instruments which are rated below "Investment grade" and/or have a lower credit rating.

***Early termination risk***

In the event of the early termination of a Sub-fund, the Sub-fund would have to distribute to the Shareholders their pro rata interest in the assets of the Sub-fund. It is possible that at the time of such sale or distribution, certain investments held by the Sub-fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the Shareholders. Moreover, any organizational expenses with regard to the Sub-fund that had not yet become fully amortized would be debited against the Sub-fund's capital at that time.

The circumstances under which a Sub-fund may be liquidated are set out in Section 3.10.

**b) Counterparty risk**

A counterparty of the Sub-funds may fail to fulfil its obligations towards a Sub-fund.

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which cash deposits, currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, a Sub-fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a Sub-fund will sustain losses.

For OTC derivatives cleared by a central counterparty clearing house (CCP), the Sub-fund is required to post margin with its clearing member of the CCP. This margin is subsequently transferred by the clearing member to the CCP on behalf of the Sub-fund. As a result thereof, the Sub-fund is temporarily subjected to counterparty risk on the clearing member of the CCP. During the return of margin by the CCP to the clearing member, the Sub-fund is again temporarily subject to counterparty risk on the clearing member until the clearing member has posted the margin back to the Sub-fund.

For listed derivatives, such as futures and options, where the Company is not a direct member of various exchanges, clearing services are required from a third party that is a clearing member. This clearing member is required by the clearing house to post margin, which in turn requires a Sub-fund to post margin. Because of risk premiums and netting margins across a multitude of clients, the actual margin posted by the clearing member at the clearing house is significantly lower than the margin posted by the Company, implying the Sub-fund runs residual counterparty credit risk on the clearing member.

***Settlement risk***

For the Sub-fund, incorrect or non-(timely) payment or delivery of financial instruments by a counterparty may mean that the settlement via a trading system cannot take place (on time) or in line with expectations.

***Custodian risk***

The financial instruments in the portfolio of the Sub-fund are placed in custody with a reputable bank (the "Custodian") or its duly appointed sub-custodians. Each Sub-fund runs the risk that its assets placed in custody may be lost as a result of the



liquidation, insolvency, bankruptcy, negligence of, or fraudulent activities by, the Custodian or the sub-custodian appointed by it.

### c) Liquidity risk

#### *Asset liquidity risk*

The actual buying and selling prices of financial instruments in which a Sub-fund invests partly depend upon the liquidity of the financial instruments in question. It is possible that a position taken on behalf of a Sub-fund cannot be liquidated in good time at a reasonable price due to a lack of liquidity in the market in the context of supply and demand and potentially result in the suspension or restriction of purchase and issue of Shares.

Financial derivative transactions are also subject to liquidity risk. Given the bilateral nature of OTC positions, liquidity of these transactions cannot be guaranteed. The operations of OTC markets may affect the Sub-funds' investment via OTC markets

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain instruments. In such instances, the Company might be unable to enter into a desired transaction or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance.

#### *Large redemption risk*

As the Company is an open-ended Fund, each Sub-fund can in theory be confronted on each Valuation Day with a large total Redemption. In such a case, investments must be sold in the short term in order to comply with the repayment obligation towards the redeeming Shareholders. This may be detrimental to the results of the Sub-fund and potentially result in the suspension or restriction of purchase and issue of Shares.

#### *Risk of suspension or restriction of purchase and issue*

Under specific circumstances, for example if a risk occurs as referred to in this chapter, the issue and purchase of Shares may be restricted or suspended. Shareholders run the risk that they cannot always buy or sell Shares during such a period.

### d) Risk of use of financial derivative instruments

Financial derivative instruments are subject to a variety of risks mentioned in this section. Risks unique to financial derivative instruments include:

#### *Basis Risk*

Financial derivative instruments can be subject to basis risk: in adverse market conditions the price of the derivative instrument, such as interest rate swaps, total return swaps and credit default swaps, might not be perfectly correlated with the price of the underlying asset. This could have an adverse effect on investment returns.

#### *Leverage risk*

A Sub-fund may make use of derivative instruments, techniques or structures. They may be used for hedging risks, and for achieving investment objectives and ensuring efficient portfolio management. These instruments may present a leverage effect, which will increase the Sub-fund's sensitivity to market fluctuations.

#### *Risk introduced by short synthetic positions*

A Sub-fund may use derivatives to take short synthetic positions in some investments. Should the value of such investment increase, it will have a negative effect on the Sub-fund's value. In extreme market conditions, the Sub-fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns, or may even suffer a loss on such investments.

#### *Hedging Transactions Risks for certain classes*

The attention of the investors is drawn to the fact that the Sub-funds of the Company have several Classes of Shares which distinguish themselves by, inter alia, their reference currency as well as currency hedging or inflation hedging at Class level. Investors are therefore exposed to the risk that the Net Asset Value of a Class can move unfavorably vis-à-vis another

Class as a result of hedging transactions performed at the level of the hedged Class.

#### *Counterparty and collateral risks*

In relation to financial derivatives, Investors must notably be aware that (A) in the event of the failure of the counterparty there is the risk that collateral received may yield less than the exposure on the counterparty, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) delays in recovering cash collateral placed out, or (ii) difficulty in realizing collateral may restrict the ability of the Company to meet redemption requests, security purchases or, more generally, reinvestment.

#### **e) Risk of lending financial instruments**

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

In relation to securities lending transactions, investors must notably be aware that (A) if the borrower of securities lent by a Sub-fund fail to return these there is a risk that the collateral received may realize less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-fund to meet delivery obligations under security sales

#### **f) Risk of (reverse) repurchase agreements**

In relation to (reverse) repurchase agreements, investors must notably be aware that (A) in the event of the failure of the counterparty with which securities (cash) of a Sub-fund has been placed there is the risk that collateral received may yield less than the securities (cash) placed out, whether because of inaccurate pricing of a traded instrument, adverse market movements, or the illiquidity of the market in which the securities are traded; and that (B) difficulty in realizing collateral may restrict the ability of the Sub-fund to security purchases or, more generally, reinvestment.

#### **g) Sovereign risk**

A Sub-fund may invest in bonds and other marketable debt securities and instruments of issuers located in various countries and geographic regions. The economies of individual countries may differ favorably or unfavorably from each other having regard to: gross domestic product or gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. The reporting, accounting and auditing standards of issuers may differ, in some cases significantly, from country to country in important respects and less information from country to country may be available to investors in securities or other assets. Nationalization, expropriation or confiscatory taxation, currency blockage, political changes, government regulation, political or social instability or diplomatic developments could affect adversely the economy of a country or the Sub-fund's investments in such country. In the event of expropriation, nationalization or other confiscation, the Sub-fund could lose its entire investment in the country involved. In addition, laws in countries governing business organizations, bankruptcy and insolvency may provide limited protection to security holders such as the Sub-fund.

#### **h) Valuation risk**

The assets in the Sub-funds are subjected to valuation risk. This entails the financial risk that an asset is mispriced. Valuation risk can stem from incorrect data or financial modelling.

For derivatives valuation risk can arise out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals

which often are acting as counterparties to the transaction to be valued, which may prejudice the independence of such valuations. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value of a Sub-fund.

**i) Fiscal risk**

During the existence of the Sub-funds, the applicable tax regime may change such that a favorable circumstance at the time of Subscription could later become less favorable, whether or not with retroactive effect.

Some of the Sub-funds may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities in some jurisdictions are not as consistent and transparent as those of more developed nations, and may vary from region to region.

A number of important fiscal aspects of the Sub-funds are described in the chapter on "Taxation ". The Company expressly advises (potential) Shareholders to consult their own tax advisor in order to obtain advice about the fiscal implications associated with any investment in any of the Sub-funds before investing.

**j) Operational risk**

The operational infrastructure which is used by the Company carries the inherent risk of potential losses due among other things processes, systems, staff and external events.

**k) Outsourcing risk**

The risk of outsourcing activities is that this third party may not comply with its obligations, notwithstanding existing agreements.

**l) Model risk**

Some Sub-funds may apply models to make investment decisions. The risk exists that the models used to make these investment decisions do not perform the tasks they were designed to.

**m) FATCA related risks**

Although the Company will be required to comply with obligations set forth under Luxembourg regulations and will attempt to satisfy any obligations until such regulations are in force and to avoid the imposition of any FATCA penalty withholding, no assurance can be given that the Company will be able to achieve this and/or satisfy such FATCA obligations. If the Company becomes subject to a FATCA penalty withholding as a result of the FATCA regime, the value of the Shares held by Shareholders may suffer material losses.

**Prospective Investors should read the entire Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in any Sub-fund.**

**Moreover, the attention of the Investors is drawn to the fact that some Sub-funds may use derivative instruments. These instruments may present a leverage effect, which will increase the Sub-fund's sensitivity to market fluctuations. Refer to Appendix III Financial Risk Management for information about the global exposure per Sub-fund.**

## APPENDICES

## APPENDIX I – INFORMATION PER SUB-FUND

**a) Robeco Flex-o-Rente****Investment policy**

The Sub-fund aims to provide long term capital growth. The Sub-fund invests at least two thirds of its total assets in money market instruments, bonds and similar fixed income securities of which money market instruments will have a minimal short term rating of "A-1" or equivalent by one of the recognized rating agencies and other investments will have a minimal long term rating of "BBB-" or equivalent by one of the recognized rating agencies.

The portfolio's duration will be actively managed to realize an investment return above the return that can be earned on cash investments. This duration can be both negative and positive over time.

The Sub-fund may not invest in equity securities and in convertible bonds however the Company may invest up to 10% of its net assets in shares or units of other UCITS/UCI.

The Sub-fund will invest in financial derivative instruments for hedging and optimal portfolio management purposes but also to actively take positions in the global bond, money market and currency markets. The underlying of such investments respects the investment policy. The buying or selling of exchange traded and over-the-counter derivatives are permitted, including but not limited to futures (including but not limited to interest rate futures, bond futures, swap note futures), options, swaps (including but not limited to interest rate swaps, credit default swaps ("CDS"), index swaps, CDS basket swaps and cross currency swaps) and currency forwards.

The Sub-fund aims to obtain an optimal investment result in the currency in which it is denominated. The Sub-fund will use as benchmark a widely accepted external index hedged for currency risk. Efficient portfolio management may include currency hedges. The investments will be hedged towards their currency of denomination where appropriate. This active policy may cause the Sub-fund's currency positions to deviate from the weights of the respective currencies in the relevant benchmark. The Sub-fund is allowed to take active currency positions resulting in positive or negative currency exposure in currencies other than the currency of denomination of the Sub-fund.

**Profile of the typical Investor**

The Sub-fund is suitable for all types of Investors, including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient "savings" product. It is also suitable for more experienced Investors wishing to attain defined investment objectives. Experience with capital market products is not required. The Investor must be able to accept moderate temporary losses, thus the Sub-fund is suitable for Investors who can afford to set aside the capital for at least 2-3 years.

The Sub-fund is designed for the investment objective of building up capital. For an Investor's portfolio, it can play the role of a core position.

Please note that such information is provided for reference only and investors should consider their own circumstances, including without limitation, their own risk tolerance level, financial circumstance, investment objective etc., before making any investment decisions. If in doubt, investors should seek professional advice.

**Risk profile of the Sub-fund**

The investments in listed and unlisted bonds and other marketable debt certificates, debt securities (such as certificates of deposit, money market instruments and commercial paper) transferable securities with high marketability and derivatives may involve risks (linked to the

default of the issuers, exchange rates, liquidity and inflation).

The Sub-fund's investments are subject to market fluctuations. 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 the Sub-fund will not fall below its value at the time of acquisition.

#### Risk considerations for the Sub-fund

Investors should note that, in addition to the above mentioned risks, the investment strategy and risks inherent to the Sub-fund are not typically encountered in traditional long only funds. The Sub-fund may use derivatives as part of its investment strategy and such investments are inherently volatile and the Sub-fund could potentially be exposed to additional risks and costs should the market move against it. The Sub-fund may also use derivatives to take short positions in some investments. Should the value of such investment increase, it will have a negative effect on the Sub-fund's value. In extreme market conditions, the Sub-fund may be faced with the theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns, or may even suffer a loss on such investments.

The investment risk will be measured using quantitative techniques. The investment risk of using derivatives is also incorporated in these quantitative techniques. For more information regarding e.g. the exposure calculation method, the maximum leverage or the expected levels of leverage as a result of the use of derivatives as well as a brief explanation as to the basis for such calculation, please consult Appendix III - Financial risk management.

**Investment Adviser** Robeco Institutional Asset Management B.V.

**Base currency** EUR

**Issue date** 3 October 2005

Share Class	Management Fee	Service fee	Type
<b>Regular Share Classes</b>			
Class BH	0.70%	0.12%	Distributing
Class BxH	0.70%	0.12%	Distributing
Class BHHi	0.75%	0.12%	Distributing
Class DH	0.70%	0.12%	Accumulating
Class DHHi	0.75%	0.12%	Accumulating
Class EH	0.70%	0.12%	Distributing
Class MH	1.75%	0.12%	Accumulating
<b>Privileged Share Classes</b>			
Class CH	0.35%	0.12%	Distributing
Class CxH	0.35%	0.12%	Distributing
Class CHHi	0.40%	0.12%	Distributing
Class FH	0.35%	0.12%	Accumulating
Class FHHi	0.40%	0.12%	Accumulating
Class GH	0.35%	0.12%	Distributing
<b>Institutional Share Classes</b>			
Class IH	0.30%	0.08%	Accumulating
Class IBH	0.30%	0.08%	Distributing
Class IEH	0.30%	0.08%	Distributing
Class IExH	0.30%	0.08%	Distributing
Class IHHi	0.35%	0.08%	Accumulating
Class ZH	0.00%	0.08%	Accumulating
Class ZBH	0.00%	0.08%	Distributing
Class ZEH	0.00%	0.08%	Distributing

See Section 3.1 for a more detailed description of all Fees and Expenses

## APPENDIX II – INVESTMENT RESTRICTIONS

Under the Articles of Incorporation of the Company, the Board of Directors has broad investment powers. In connection with the implementation of the above policy, the Board of Directors has fixed the following investment restrictions. In this context, the following terms shall mean the following:

### Definitions

"EU"	European Union;
"Eligible State"	any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania;
"Member state"	means a Member State of the EU as defined in the Law;
"money market instruments"	shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time;
"Regulated Market"	a market within the meaning of Article 4.1.14 of Directive 2004/39/EC or any other directive amending or replacing Directive 2004/39/EC and any other market which is regulated, operates regularly and is recognized and open to the public in an Eligible State;
"third country"	a state other than a Member state;
"transferable securities"	shall mean: <ul style="list-style-type: none"> <li>- shares and other securities equivalent to Shares,</li> <li>- bonds and other debt instruments,</li> <li>- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul>
"UCITS"	an Undertaking for Collective Investment in Transferable Securities authorized pursuant to directive 2009/65/EEC, as may be amended;
"other UCI"	an Undertaking for Collective Investment within the meaning of the first and second indents of Article 1 (2) of directive 2009/65/EEC, as may be amended;

- I. (1) The Company, for each Sub-fund, may invest in:
  - a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market;
  - b) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within one year of the issue;
  - c) units of UCITS and/or other UCI, whether situated in a Member State or not, provided that:
    - such other UCIs have been authorized under the laws of any Member State or under the laws of those countries which can provide that they are subject to supervision considered by the CSSF to be the equivalent to that laid down in European Community law and that cooperation between authorities is sufficiently ensured,
    - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of directive 2009/65/EEC,

- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or if the registered office of the credit institution is situated in a third country provided that it is subject to prudential rules considered by the Luxembourg regulator as equivalent to those laid down in Community law;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-funds may invest according to their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

and/or

- f) money market instruments other than those dealt in on a Regulated Market and referred to under "Definitions", if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a third country or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on Regulated Markets, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg regulator to be at least as stringent as those laid down by Community law, or
  - issued by other bodies belonging to the classes approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.
- (2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-fund in transferable securities and money market instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets.

- III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-fund in transferable securities or money market instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the net assets of any Sub-fund in deposits made with the same body. The risk exposure of a Sub-fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.

- b) Moreover, where the Company holds on behalf of a Sub-fund investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Sub-fund, the total of all such investments must not account for more than 40% of the total net assets of such Sub-fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph a), the Company may not combine for each Sub-fund where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
  - deposits made with that body, and/or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Sub-fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Sub-fund.

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-fund's net assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

The Company may cumulatively invest up to 20% of the net assets of a Sub-fund in transferable



securities and money market instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorized to invest up to 100% of the net assets of any Sub-fund, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or agencies, or by another member State of the OECD, or by Singapore, or by Brazil or by Indonesia, or by Russia or by South Africa, or by public international bodies of which one or more Member States are members, provided that such Sub-fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Sub-fund.**

- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same issuing body if the aim of the investment policy of a Sub-fund is to replicate the composition of a certain stock or debt securities index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-fund's investment policy.

- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. a) The Company may not acquire Shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

- b) The Company may acquire no more than:
- 10% of the non-voting Shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the money market instruments of the same issuer.

These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

- c) The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States.

The provisions of this paragraph V. are also waived as regards shares held by the Company in the capital of a company incorporated in a third country which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or other UCIs referred to in paragraph I) (1) c), provided that no more than 10% of a Sub-fund's net assets be invested in the units of UCITS or other UCI.
- b) The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When the Company invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding of more than 10% of the share capital or voting rights, the Management Company or other company cannot charge management, subscription or redemption fees on account of the Company's investment in the units of such other UCITS

and/or UCIs.

- d) The Company may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

VII. The Company shall ensure for each Sub-fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant Sub-fund on a permanent basis.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII. a) The Company may not borrow for the account of any Sub-fund amounts in excess of 10% of the net assets of that Sub-fund, any such borrowings to be from banks and to be effected only on a temporary basis, provided that the Company may acquire foreign currencies by means of back to back loans;
- b) The Company may not grant loans to or act as guarantor on behalf of third parties.  
This restriction shall not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.
- c) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments.
- d) The Company may only acquire movable or immovable property which is essential for the direct pursuit of its business.
- e) The Company may not acquire either precious metals or certificates representing them.
- IX. a) The Company needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created sub-funds may derogate from paragraphs III., IV. and VI. a), b) and c) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.
- c) To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the Investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III., IV. and VI.

## APPENDIX III – FINANCIAL RISK MANAGEMENT

The Management Company, on behalf of the Company, employs a risk-management process which enables it to monitor and measure the financial risk of the positions and their contribution to the overall risk profile of each Sub-fund. The Management Company, on behalf of the Company employs, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

An independent risk management team is responsible for the implementation of financial risk management controls on behalf of the Management Company. From a financial risk management perspective, three main risk classifications are discerned, market risk, counterparty risk and liquidity risk. These are treated separately in this appendix.

### **Market risk**

Risk controls are designed to limit the Sub-funds' market risk. The internal risk management methodology applied by the Management Company focuses on the tracking error. Where appropriate, the extent to which the Sub-funds are exposed to market risk is restricted by means of limits on these risk measures. Derivative positions are included in the market risk calculations, by taking into account the economic exposures of each instrument to its underlying value(s).

The use of market risk limits implicitly limits the economic exposure introduced by derivatives that can be introduced in the different portfolios. In circumstances where the market risk of a Sub-fund is measured relative to an appropriate benchmark, where possible, the Sub-fund uses a widely accepted external (sub)-index as benchmark. On top of the above mentioned risk measures, results of stress scenarios are measured and monitored. Both the levels and relative (to the benchmark) stress test results are measured and monitored. Furthermore concentration limits *vis-à-vis* the benchmark are monitored on a daily basis.

Next to the internal market risk measures, the table "Global exposure calculation" on the next page presents an overview of the method used to calculate the global exposure and the expected levels.

### **Counterparty risk**

With respect to counterparty risk, procedures are in place with regard to the selection of counterparties, focusing on external credit ratings and market implied default probabilities (credit spreads). Counterparty exposure and concentration limits are computed and monitored on a frequent basis. Besides, counterparty risk is mitigated by securing appropriate collateral.

For counterparties to derivative (and OTC Swap) transactions to be accepted they are assessed on their creditworthiness based on external resources quoting the short-and long term rating and on credit spread as well as guarantees issued by the parent company of such counterparties, if any. Except for specific cases or circumstances the minimum acceptance level for a counterparty to be accepted is that it must have a long term mid rating higher or equal to A3 and a short term mid rating equal to P-1. In addition to the external ratings, soft indicators are also examined when evaluating a new counterparty.

The creditworthiness of the derivative counterparty will determine whether derivatives may be entered into with the respective counterparty. Any Sub-fund will only enter into financial derivatives transactions with counterparties specialized in this type of transaction and adhering to the acceptance criteria as set out above. In addition, the use of financial derivatives must comply with the investment objective and policy and risk profile of the respective Sub-fund. These internal guidelines are determined in the best interest of the client by the Company and are subject to change without prior notice.

Counterparties to securities lending transactions/repurchase agreements are assessed on their creditworthiness based on external resources quoting the short-term rating and on credit spread as well as guarantees issued by the parent company of such counterparties, if any. The perceived creditworthiness of the counterparty will determine the allowed out-on-loan level with the counterparty. If the counterparty has a short-term mid rating lower than P-1, out-on-loan level limits are decreased. These internal guidelines are determined in the best interest of the client by the Company and are subject to change without prior notice.

Whenever the delivery of an asset is due by a Sub-fund to a counterparty stemming from a derivative financial instrument, the Sub-fund must be able either to deliver the asset immediately or be able to acquire the asset in time for delivery. Whenever a payment is due by a Sub-fund to a counterparty stemming from a derivative financial instrument, the Sub-fund must either hold cash or have sufficient liquidity in order to meet such obligations. A coverage policy is in place to ensure that the assets in a Sub-fund are sufficiently liquid to enable the Sub-fund to fulfil its payment obligations.

#### **Liquidity risk**

On a frequent basis the Sub-funds' market liquidity is measured and monitored by bid-ask spreads (fixed income positions). Funding liquidity risks of the funds is also measured and monitored; portfolios are considered "at risk" if the portfolio's assets are illiquid (market liquidity risk) whilst the client base is relatively concentrated. Portfolios exhibiting market or funding liquidity risk are discussed in relevant risk committees and, if deemed necessary, appropriate measures are taken.

#### **Global exposure calculation:**

The table below presents an overview of:

- the method used to calculate global exposure (i.e. commitment approach, relative VaR or absolute VaR); and
- the expected level of leverage (calculated as the sum of the notionals of the derivatives used) and the possibility of higher leverage levels;

Name	Method used to calculate the global exposure	Reference Portfolio	Expected level of leverage	Leverage is not expected to exceed
Robeco Flex-o-Rente	Absolute VaR	--- n/a ---	175%	200%

## APPENDIX IV – FINANCIAL DERIVATIVE INSTRUMENTS AND EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND INSTRUMENTS

The Company may employ (i) financial derivatives on eligible assets and (ii) techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits laid down by the Law and the regulations of the supervisory authority. The Company may employ derivatives for efficient portfolio management for hedging purposes and for investment purposes.

The conditions of use and the limits applicable shall in all circumstances comply with the provisions laid down in the Law.

Under no circumstances shall these operations cause the Company and its Sub-funds to diverge from its investment policies and restrictions.

As outlined in Appendix II, item VII, the Company will ensure that the global exposure relating to the use of financial derivatives shall not exceed the total Net Asset Value of the relevant Sub-fund. The global exposure relating to derivative instruments held in a Sub-fund will be determined using an approach based on the internal model, taking into consideration all the sources of global exposure (general and specific market risks), which might lead to a significant change in the portfolio's value.

Techniques and Instruments (including but not limited to securities lending and repurchase agreements) relating to transferable securities and money market instruments may be used by each Sub-fund for the purpose of efficient portfolio management.

### SECURITIES LENDING AND REPURCHASE AGREEMENTS

To the maximum extent allowed by, and within the limits set forth in the laws and regulations applicable to the Company, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Law, of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments and of (iii) CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (as these pieces of regulations may be amended or replaced from time to time), the Company may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into repurchase agreements and (B) engage in securities lending transactions.

The designated securities lending agent of the Company is Robeco Institutional Asset Management B.V. ("RIAM"), which also acts as the Investment Adviser. RIAM is an affiliate of the Robeco Groep and holds a license by the Netherlands Authority for the Financial Markets ("AFM") and is incorporated under the laws of the Netherlands. The incremental income generated from securities lending transactions is shared between the Company and RIAM, and is further specified in the Company's audited reports. RIAM does not conduct transactions for its own account, but RIAM does act as securities lending agent for other clients. RIAM takes all reasonable measures to mitigate (potential) conflicts of interest, arising from it acting for various clients and prevent (potential) impact thereof on the performance of the Company, as much as possible.

RIAM conducts securities lending transactions for the account of the Company against the payment of a fee in conformity with the current market practice. On a periodic basis, the Company seeks advice from an external consultant to assess if the fee is in conformity with the current market practice, based on (i) the relative / absolute value that RIAM adds as securities lending agent for the Company and/or its various sub-funds, and (ii) the fees of other securities lending agents. The income that is generated through securities lending, will be split between RIAM and the Company. The fee split varies between 20% and 35% for RIAM and between 65% and 80% for the Company. The Company's audited report shall provide further information in accordance with Luxembourg laws and regulations. RIAM conducts repurchase / reverse repurchase transactions on behalf of the Company. The result generated from these transactions (positive or negative) is solely for the account of the Company. RIAM does not receive a fee (other than the investment adviser fee) for these transactions.

Counterparties to securities lending transactions/repurchase agreements are assessed as described in Appendix III - Financial risk management.

The Company could potentially have all (i.e. 100%) of its assets available for securities lending transactions/repurchase agreements, provided the assets are applicable for securities lending/repurchase agreements and that it may, at all times, meet redemption requests. The securities lending transactions/repurchase agreements must not affect the management of the Company in accordance with their investment policy.

The collateral may be enforced if there is an event of default under the relevant agreement. The collateral may be subject to right of set-off if the relevant agreement stipulates so.

#### **Specific risks linked to securities lending and repurchase agreements**

Use of the aforesaid techniques and instruments involves certain risks, some of which are listed in the following paragraphs (in addition to the general information provided under Section 4 of the prospectus), and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In general, securities lending transactions and/or repurchase agreements may be conducted or concluded to increase the overall performance of the Company, but an event of default (and specifically an event of default of a counterparty) may have a negative impact on the performance of the Company. The risk management process implemented by the Management Company (as described in Appendix III) aims at mitigating such a risk.

The Company may on behalf of a Sub-fund, enter into a total return equity swap for which the Company receives a fee. Similarly to a securities lending transaction, this swap is used as an efficient portfolio management technique and is entered into in order to generate additional income for the Company. By using the total return equity swap, the Company replaces a physical long position, with an (collateralized) economically identical synthetic long position thereby adding no additional exposure to the market.

When entering into such a swap, the Company sells the relevant equity security. Its sale proceeds, when paid in the local currency, are converted into United States Dollar ("USD") or Euro (EUR) and deposited with a bank or the cash will be reinvested overnight. Simultaneously the Company enters into a total return equity swap with the selected broker pursuant to an ISDA Agreement executed between the parties at the same price as the execution of the physical sale. The swap is structured so as to reflect the movements of the underlying equity and any foreign exchange fluctuations of the local currency vis-à-vis USD or EUR. In addition, the swap is reset at least once a month and the intra-month exposure of the parties is secured by collateral.

For counterparties to OTC Swap transactions to be accepted and used they are assessed as described in Appendix III.

Counterparties to an OTC swap transaction shall have no discretionary investment authority regarding the underlying equity security. The swap can be terminated at the option of either party. Upon termination of the swap, the Company replaces the synthetic position with a physical position using the received cash from the original sale of the physical position and the collateral movements.

The risks associated with financial derivatives instruments, including a total return equity swap, are described in Section 4 – RISK CONSIDERATIONS of the Prospectus. RIAM is also the designated agent of the Company for swaps. Since the total return equity swap is economically identical to a physical securities lending transaction, the fee income is split between RIAM and the Company as is described above in respect of securities lending and repurchase agreements.

#### **FINANCIAL DERIVATIVE INSTRUMENTS**

To the maximum extent allowed by, and within the limits set forth in the laws and regulations applicable to the Company, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the

Law, of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments and of (iii) CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (as these pieces of regulations may be amended or replaced from time to time), the Company may for the purpose of generating additional capital or income or for reducing costs or risks enter, into financial derivative transactions, as further indicated in Appendix I.

The Company predominantly engages in credit default swaps and interest rate swaps. These types of derivative transactions are described in more detail below. The derivative transactions and the collateral exchanged pursuant to those transactions are governed by the 1992 and 2002 ISDA Master Agreement and the Credit Support Annex to the schedule to ISDA Master Agreement respectively. The International Swaps and Derivatives Association ("ISDA") has produced this standardized documentation for these transactions.

Counterparties of the derivative transactions are assessed as described in Appendix III.

Should the Company invest in financial derivative instruments related to an index for investment purposes, information on the index and its rebalancing frequency would be disclosed in Appendix 1 prior thereto, by way of reference to the website of the index sponsor as appropriate.

Should a Sub-fund invest in financial derivative instruments which underlying is a financial index, it is expected that the rebalancing frequency of the index should not require a rebalancing of the portfolio of the Sub-fund considering its investment policy and should not either generate additional costs for the Sub-fund.

The Investment Adviser transacts the financial derivative transactions on behalf of the Company. The Investment Adviser is an affiliate of the Robeco Groep and holds a license by the Netherlands Authority for the Financial Markets ("AFM"). The Investment Adviser is incorporated under the laws of the Netherlands. The result generated from the derivatives transactions (positive or negative) is solely for the account of the Company and is further specified in the Company's audited reports.

Please note that if any counterparty to a financial derivative transaction has discretion as indicated under point 38 d) of the ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937EN), the counterparty will have to be approved by the CSSF as investment manager in respect of the relevant Sub-fund.

#### **Conflict of interest**

Pursuant to the Investment Advisory Agreement between the Management Company and the Investment Adviser, the Investment Adviser undertakes to disclose all and any conflicts of interest that may arise regarding the provision of its services in writing to the Board of Directors. Notwithstanding this, the Investment Adviser shall be at liberty to act as management company to any other person or persons it may think fit and nothing herein contained shall prevent RIAM from contracting or entering into any financial, banking, commercial, advisory or other transactions (including without limitation financial derivative transactions) whether on its own account or on the account of others as may be allowable by law and regulation.

#### **Credit Default Swaps**

The Company may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference or strike price. The credit default swaps to be entered into will be marked to market daily on this basis. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.

The Company may buy protection under credit default swaps or sell protection under credit default swaps in order to acquire a specific credit exposure.

The Company will ensure that, at any time, it has the necessary assets in order to pay redemption proceeds resulting from redemption requests and also meet its obligations resulting from credit default swaps and other techniques and instruments.

**Interest rate Swaps**

The Company may use interest rate swaps. An interest rate swap is an agreement between two counterparties whereby one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate (most often the LIBOR). A counterparty will typically use interest rate swaps to limit or manage exposure to fluctuations in interest rates, or to obtain a marginally lower interest rate than it would have been able to get without the swap. The interest rate swaps to be entered into will be marked to market daily on this basis.

**Details on the use of certain derivatives**

Exchange traded and over-the-counter derivatives used, include but are not limited to futures, options, swaps (including but not limited to interest rate swaps, credit default swaps ("CDS"), index swaps and CDS basket swaps).

CDS basket swaps (such as iTraxx and IBOXX families of CDS basket swaps) are basket swaps that reference a range of securities or derivative instruments. The Sub-fund may invest in CDS basket swaps and CDS as protection buyer and seller. The main advantages of CDS basket swaps are instant exposure to a very diversified basket of credits with low bid and offer costs, and use for example as credit hedge for an existing single name credit default swap or cash bond.

TBA instruments are contracts on an underlying mortgage backed security ("MBS") to buy or sell a MBS which will be delivered at an agreed-upon date in the future. In a TBA trade, the buyer and seller decide on general trade parameters, such as agency, coupon, settlement date, par amount, and price, but the buyer typically does not know which pools actually will be delivered until two days before settlement.

**Specific risks linked to financial derivatives instruments**

Use of financial derivatives involves certain risks, some of which are listed in the following paragraph (in addition to the information generally contained in Section 4 of the prospectus), and there can be no assurance that the objective sought to be obtained from such use will be achieved.

In general, financial derivative transactions may be entered into to increase the overall performance of the relevant Sub-fund of the Company, but an event of default (and specifically an event of default of a counterparty) may have a negative impact on the performance of the relevant Sub-fund. The risk management process implemented by the Management Company (as described above) aims at mitigating such risk.

**COLLATERAL MANAGEMENT FOR SECURITIES LENDING, REPURCHASE AGREEMENTS AND FINANCIAL DERIVATIVE TRANSACTIONS**

The collateral received by a Sub-fund shall comply with applicable regulatory standards regarding especially liquidity, valuation, issuer credit quality, correlation and diversification.

The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Sub-fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. To the extent permitted by the applicable regulation and by way of derogation the Sub-fund may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, OECD countries, or a public international body to which one or more Member States belong. In that case the Sub-fund shall receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Sub-fund.



Non cash collateral received by a Sub-fund in respect of any of these transactions may not be sold, reinvested or pledged.

As the case may be, cash collateral received by a Sub-fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the Sub-fund in (a) shares or units issued by short-term money market undertakings for collective investment as defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Re – CESR/10-049) calculating a daily Net Asset Value and being assigned a rating of AAA or its equivalent, (b) short-term bank deposits with a credit institution which has its registered office in a Member State or, if the registered office is located in a third country, provided that it is subject to prudential rules considered by Luxembourg regulator as equivalent to those laid down in community law, (c) highly rated bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope and (d) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of cash on an accrued basis. Such reinvestment will be taken into account for the calculation of the Company's global exposure, in particular if it creates a leverage effect.

The collateral received in connection with such transactions must meet the criteria set out in the CSSF Circular 08/356 which includes the following collateral:

- (i) bonds issued or guaranteed by an EU member state, an OECD member state, by their local authorities or by supranational bodies and organizations with community, regional or world-wide character, in any case with a minimal rating of BBB;
- (ii) investment grade corporate bonds issued by issuers located in an EU member state or an OECD member state;
- (iii) shares or units issued by money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA or its equivalent;
- (iv) shares or units issued by UCITS investing mainly in bonds/shares mentioned in (v) and (vi) below;
- (v) main index equity securities quoted on a stock exchange in an EU member state or an OECD member state;
- (vi) shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index; or
- (vii) cash.

In respect of securities lending transactions, the standard approach in respect of any Sub-fund is that collateral is received by a tri-party agent, whereas in specific cases (e.g. specific government bonds) the collateral can also be received bilaterally. In case of such bilateral receipt, the collateral is administrated, monitored and valued by RIAM. Collateral received in the tri-party account is valued by a tri-party agent, which acts as an intermediary between the two parties to the securities lending transactions. In this case the tri-party agent is responsible for the administration of the collateral, marking to market, and substitution of collateral. Securities lending positions and collateral are marked-to-market on a daily basis and are monitored by RIAM.

Collateral margins (or "haircut") are dependent on the asset type of the out-on-loan securities and collateral received (equities or bonds), on the type of issuers (governments or companies) as well as on the correlation between the out-on-loan securities and the collateral received. Under normal circumstances, the collateral received as security for securities lending transactions will be at least 105% of the market value of the securities lent. This percentage will be increased for counterparties with a lower perceived creditworthiness and will represent up to 110% of the market value of the securities lent.

Eligible Collateral	Collateral Margin
<b>Cash</b>	100%*
<b>Government bonds and T-Bills</b>	≥ 105%
<b>Supranational bonds and municipal bonds</b>	≥ 105%
<b>Other bonds</b>	≥ 105%
<b>Equities</b>	≥ 105%

\*Due to MTA's (Minimal Transfer Amounts) the actual percentage can be lower.

The collateral received as security for (reverse) repurchase agreement transactions will be at least 90% of the value of the outstanding (or incoming) money under the relevant (reverse) repurchase agreement.

In respect of financial derivative transactions, the Investment Adviser is responsible for the administration of the transactions and the collateral, marking to market, and substitution of collateral. The transactions and collateral are marked-to-market on a daily basis. Currently the Company solely demands cash collateral (EUR or USD). No haircuts are applied to the cash irrespective of the currency of the cash received as collateral (see table above).