

# Robeco (LU) Funds III

2022

## Annual Report

Société d'Investissement à Capital Variable

Incorporated under Luxembourg law

RCS B 40 490



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# General Information

## Robeco (LU) Funds III

(hereafter the “**Company**” or the “**Fund**”)

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

### Register of Companies

RCS Luxembourg B 40 490

### Registered Office

6, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

### Board of Directors

Mr. J.H. van den Akker (Director/Chairman)  
Mr. I.R.M. Frielink (Director appointed as per 1 September 2022)  
Mr. C.M.A. Hertz (Director)  
Mrs. J.F. Wilkinson (Director)  
Mr. P.F. van der Worp (Director)  
Mr. M.O. Nijkamp (Director, resigned as per 1 January 2022)

Mr. J.H. van den Akker, Mr. P.F. van der Worp and Mr. I.R.M. Frielink are employees of Robeco Nederland B.V. (Affiliated Entity)  
Mr. C.M.A. Hertz and Mrs. J.F. Wilkinson are independent directors  
Mr. M.O. Nijkamp was an employee of Robeco Nederland B.V. (Affiliated Entity)

### Management Company

Robeco Institutional Asset Management B.V.  
Weena 850  
3014 DA Rotterdam  
The Netherlands

### Cabinet de révision agréé (independent auditor)

KPMG Audit S.à r.l.  
39, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### Depository, Domiciliary and Paying Agent

J.P. Morgan SE  
6, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

### Administration Agent and Registrar

J.P. Morgan SE  
6, route de Trèves  
L-2633 Senningerberg  
Grand Duchy of Luxembourg

### Portfolio Manager

Robeco Institutional Asset Management B.V.  
Weena 850  
3014 DA Rotterdam  
The Netherlands



## General Information (continued)

### **Subscriptions and publications**

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

### **Representative and paying agent in Switzerland**

ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zürich, is the fund's representative in Switzerland. Copies of the Key Information Document and prospectus, articles of incorporation, (semi) annual reports and a list of all purchases and sales in the investment portfolio during the reporting period are available from the above address free of charge. UBS Switzerland A.G., Bahnhofstrasse 45, CH-8001 Zurich (Postal address Badenerstrasse 574, Postfach, CH-8098 Zürich) is the Company's paying agent in Switzerland.

### **Information service in Germany**

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

### **Robeco**

Where reference is made to 'Robeco', it should be read Robeco Institutional Asset Management B.V. including the activities of the other entities which are in the scope of Robeco's management.

### **Merger of J.P. Morgan Bank Luxembourg S.A.**

As part of the implementation of the J.P. Morgan legal entity strategy within Europe, J.P. Morgan Bank Luxembourg S.A. merged into J.P. Morgan AG which at the same time changed its legal form from a German Stock Corporation (Aktiengesellschaft) to a European Company (Societas Europaea), being J.P. Morgan SE. As from 22 January 2022, J.P. Morgan SE, as the legal successor of J.P. Morgan Bank Luxembourg S.A., continued to act as Depositary through its Amsterdam Branch.

In the remainder of the report, including the notes to the Financial Statements, the new name ("J.P. Morgan SE") is used.



# Report of the Board of Directors

## General

### Website

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

### Code of conduct

The Board of Directors adheres to the 11 principles of the Association of the Luxembourg Fund Industry ("ALFI") Code of Conduct for Luxembourg investment funds and considers the Fund to be in compliance with the principles in all material respects.

### Sub-fund closed

Sub-fund	Effective date
Robeco European High Yield Bonds Feeder Fund - zero duration	15/11/2022

### Deactivated share classes

Sub-fund	Share class	Effective date
Robeco High Yield Bonds Feeder Fund - zero duration	BxH AUD	14/06/2022
Robeco Financial Institutions Bonds Feeder Fund - zero duration	F EUR	01/03/2022
Robeco European High Yield Bonds Feeder Fund - zero duration	I EUR	15/11/2022

## Report of the investment manager

### General market review

The year 2022 saw geopolitical upheaval joining elevated macro-economic volatility as the post-Covid economic boom petered out. Emerging from the Covid pandemic on a strong footing early 2022, the global economy had to grapple with another major shock stemming from Russia's invasion of Ukraine on 24 February 2022. Consequently, the global economic business cycle transitioned from accelerating expansion into a broad based slowdown as rising energy prices dented consumer purchasing power and confidence. However, the nature and maturity of the slowdown showed regional divergencies. In China, the slowdown was already well underway entering 2022 and has matured as the country abandoned its zero Covid policy during Q4 2022. In the US and Europe, the slowdown phase of the business cycle is in an earlier stage with both regions still enjoying unusually tight labor markets against a backdrop of resilient services activity by the end of 2022. Whereas the US and China are experiencing a classic boom-bust cycle because of policy (in)action, Europe in particular has been dealt a significant terms of trade shock as a net energy importer on the back of an unfolding energy crisis with Russian energy imports largely vanished. Overall, global economic activity decelerated on the back of cooling manufacturing activity and goods based consumption with demand tilting more towards services. The latest IMF projections project annualized global real GDP growth to have decelerated from 6.0% in 2021 to 3.2% in 2022.

The year 2022 could be marked as a pivotal year that upended an era of low inflation in developed economies. Annual inflation in both the US and Europe accelerated to 8.6% by the end of June 2022 followed by a moderate easing in the second half for the US while Europe's inflation accelerated further. In the US, inflation declined to 7.7% while Europe's inflation mounted to 10.1% by November. The highest inflation levels in 40 years in developed economies emerged as a result of a multiplicity of shocks. The unusual strong recovery in goods demand following the 2020 Covid recession (propelled by significant fiscal as well as monetary stimulus) and persisting supply constraints were aggravated by a major negative supply shock to commodities as Russian energy and wheat exports were impaired (the GSCI commodities total return index rose 34.2% in USD in 2022). All in all, these unanticipated shocks and their aftermath proved to have a large impact on inflation dynamics in 2022. Global core inflation, measured by excluding energy and food prices from the inflation basket, gradually determined a larger share of the overall inflation picture as the year 2022 progressed, driven by rising rents, wages and lagged pass through of energy prices in services.

In response, central banks in developed economies embarked on an aggressive monetary tightening cycle in early 2022 to bring inflation back to target via demand destruction, following a similar tightening cycle initiated by emerging market central banks. Determined to contain inflation, the Fed raised policy rates from 0.25% to 4.5% during the year while also the ECB ended its negative policy rate regime and brought its policy rate to 2%. Several leading inflation indicators have rolled over in the second half of 2022 hinting at fading supply and demand imbalances that initially spurred inflation. Attesting to central bank credibility in tackling inflation, long term (consumer) inflation expectations have remained well behaved, despite the actual cost of living crisis.

### Risk Management

The presence of risks is inherent to the character of asset management. It is therefore very important to have a procedure for controlling these risks embedded in the company's day-to-day operations. The manager Robeco, ensures that risks are effectively controlled via the three lines model: Robeco management (first line), the Compliance and Risk Management departments (second line) and the Internal Audit department (third line).



# Report of the Board of Directors (continued)

## Risk Management (continued)

The management of Robeco is primary responsible for risk management as part of its day-to-day activities. The Compliance and Risk Management departments develop and maintain policy, methods and systems that enable the management to fulfill their responsibilities relating to risk. Furthermore, portfolios are monitored by these departments to ensure that they remain within the investment restrictions under the Terms and Conditions for Management and Custody and the information memorandum, and to establish whether they comply with the internal guidelines. The Risk Management Committee decides how the risk-management policies are applied and monitors whether risks remain within the defined limits. The Group Internal Audit department carries out audits to assess the effectiveness of internal control.

Robeco uses a risk management and control framework that helps control all types of risk. Within this framework, risks are periodically identified and assessed as to their significance and materiality. Internal procedures and measures are focused on providing a structure to control both financial and operational risks. Management measures are included in the framework for each risk. Active monitoring is performed to establish the effectiveness of the procedures and measures of this framework.

### Operational risk

Operational risk is the risk of loss as a result of inadequate or failing processes, people or systems. Robeco constantly seeks opportunities to simplify processes and reduce complexity in order to mitigate operational risks. The use of automation increases the IT risk. This risk can be divided into three categories. The risk that unauthorized persons gain access is managed by means of preventive and detective measures to control access to the network and to systems and data. Processes such as change management and operational management ensure monitoring of a working system landscape. Lastly, business continuity measures are in place to limit the risk of breakdown as far as possible and to restore operational effectiveness as soon as possible in the event of disaster. The effectiveness of these measures is tested regularly both internally and externally.

### Compliance risk

Compliance & Integrity risks embody the risk of corporate and individual behaviour that leads to insufficient compliance with laws and regulations. Robeco's activities – collective and individual portfolio management – are subject to European and local rules of financial supervision. Observance of these rules is supervised by the national competent authorities (in the Netherlands the Authority for the Financial Markets, AFM and the Central Bank of the Netherlands, DNB and in Luxembourg the Commission de Surveillance du Secteur Financier, CSSF).

The past few years the level of regulation has increased consistently while the regulatory environment is evolving as well by moving from a principle-based to a more rule and evidence based environment. Robeco actively follows these regulatory developments and is in continuous effort to incorporate all regulatory changes to ensure compliance with rules and regulations. Robeco performs annual Systematic Integrity Risk Assessments (SIRAs) to further identify and assess compliance and integrity risks and the control measures that mitigate these risks. If needed, follow-up actions will be discussed with the business to further mitigate the integrity risks.

The new EU regulatory framework on sustainable finance, consisting of multiple pieces of legislation, including Sustainable Finance Disclosure Regulation (SFDR), Taxonomy Regulation and amendments to existing frameworks (including the UCITS Directive and AIFMD), introduced extended reporting and disclosures, aiming for increased comparability between sustainable funds and to avoid greenwashing. The framework also requires the integration of sustainability (risks) in the organization, governance, risk management and investment processes of Robeco. The requirements entered into force in 2021. In 2022 additional work has been undertaken to further implement the detailed SFDR Regulatory Technical Standards and Robeco disclosed the detailed sustainability related information of Robeco-managed funds, the so called article 6, 8, 9 disclosures.

Furthermore, Robeco implemented the new Key Investor Document for its funds offered to retail clients in line with the Packaged Retail Investment & Insurance -based Products (PRIIPs) which entered into force as of 1 January 2023.



# Report of the Board of Directors (continued)

## Risk Management (continued)

### Developments Financial Risk Management

Robeco has been continuously working to further enhance its risk management methodologies, infrastructure and processes.

To further improve the risk infrastructure and the storage of risk data, the risk Datawarehouse is being improved. Development of the Datawarehouse takes place in close cooperation with MSCI, as the vendor of our risk management platform. A more centralized storage of risk data allows for improved operational efficiency throughout the company.

In 2022, sustainability risk framework is enhanced and it was ensured that this is reflected in all external documentation. The sustainability risk policy describes sustainability risk limits and controls, and the way in which any possible risk exceedances are addressed. The Sustainability Risk Policy is fully aligned with the Sustainable Financial Disclosure Regulation (SFDR). Alongside, the monitoring of sustainability risks in the product range of Robeco was expanded. This includes a dashboard to identify outliers and the enhancement and expansion of our climate risk scenarios.



# Report of the Board of Directors (continued)

## Investment results

### Net Investment results

	Investment result reporting period in %	Benchmark return reporting period in %	Investment result 3 years average or since inception/ until liquidation	Benchmark return 3 years average or since inception/ until liquidation	Index
<b>Robeco QI Long/Short Dynamic Duration</b>					
Class D EUR shares	-1.0	-0.0	-2.2	-0.4	ICE BofA ESTR Overnight Rate Index (EUR)
Class E EUR shares <sup>1</sup>	-1.0	-0.0	-2.2	-0.4	ICE BofA ESTR Overnight Rate Index (EUR)
Class F EUR shares	-0.6	-0.0	-1.8	-0.4	ICE BofA ESTR Overnight Rate Index (EUR)
Class G EUR shares <sup>1</sup>	-0.7	-0.0	-1.8	-0.4	ICE BofA ESTR Overnight Rate Index (EUR)
Class I EUR shares	-0.6	-0.0	-1.7	-0.4	ICE BofA ESTR Overnight Rate Index (EUR)
Class DH CHF shares	-1.5	-0.2	-2.5	-0.6	ICE BofA SARON Overnight Rate Index (CHF)
Class IH CHF shares	-1.0	-0.2	-2.0	-0.6	ICE BofA SARON Overnight Rate Index (CHF)
Class DH USD shares	0.9	1.6	-0.9	0.7	ICE BofA SOFR Overnight Rate Index (USD)
Class IH USD shares	1.3	1.6	-0.4	0.7	ICE BofA SOFR Overnight Rate Index (USD)
Class MH USD shares	-0.1	1.6	-1.9	0.7	ICE BofA SOFR Overnight Rate Index (USD)
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>					
Class DH EUR shares	-2.7		0.2	NA	
Class FH EUR shares	-2.2		0.8	NA	
Class IH EUR shares	-2.1		0.8	NA	
Class BxH AUD shares <sup>1,2</sup>	-5.7		-1.5	NA	
Class Bx USD shares <sup>1</sup>	-0.3		1.7	NA	
Class I USD shares	-0.8		1.2	NA	
Class D2 USD shares	-0.7		1.2	NA	
Class D3 USD shares <sup>1</sup>	0.3		2.3	NA	
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>					
Class D EUR shares	-4.6		-0.7	NA	
Class F EUR shares <sup>3</sup>	-3.8		-0.3	NA	
Class I EUR shares	-4.2		-0.3	NA	
Class D3H USD shares <sup>1</sup>	-3.0		0.1	NA	
Class IH USD shares	-1.9		1.3	NA	
<b>Robeco Global Credits Feeder Fund – zero duration</b>					
Class IH GBP shares	-2.2		1.4	NA	
Class IH USD shares	-1.1		2.2	NA	
<b>Robeco European High Yield Bonds Feeder Fund – zero duration</b>					
Class IH EUR <sup>4</sup>	-3.8		-0.3	NA	

<sup>1</sup> Assuming reinvestment of the distributed dividend. See Notes on page 18.

<sup>2</sup> Investment result reporting period over the period 1 January 2022 until 14 June 2022. Investment result 3 years average over the period 1 January 2020 until 14 June 2022.

<sup>3</sup> Investment result reporting period over the period 1 January 2022 until 1 March 2022. Investment result 3 years average over the period 1 January 2020 until 1 March 2022.

<sup>4</sup> Investment result reporting period over the period 1 January 2022 until 15 November 2022. Investment result 3 years average over the period 1 January 2020 until 15 November 2022



# Report of the Board of Directors (continued)

## Performance analysis

### Robeco QI Long/Short Dynamic Duration

Over the reporting period, the sub-fund generated a return of -0.1% (gross of fees in EUR), against a return of -0.0% for its reference index, the ICE BofA Merrill Lynch EUR Currency Overnight Deposit Offered Rate Index (in EUR).

The quantitative model driving the duration positioning signalled rising US yields in the first half of 2022 based on inflation, the trend in bond markets, monetary policy, valuation and the season variable. The sub-fund benefited from rising yields with short positions in US bond futures for most of the first half of 2022. The inflation and season variables gradually turned positive in summer. Together with the economic growth and low-risk variables, this made the model generally positive on bonds in the second half of 2022. It was positioned for declining yields, with long positions first in German futures and later in US futures. Yields indeed declined in July, but the sub-fund underperformed after July as yields rose again.

The portfolio of short-dated bonds underlying the duration overlay contains no bonds from companies with elevated sustainability risks or breaches of ILO standards or the Global Compact and no bonds from countries with low ESG scores or weak control of corruption.

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

Over the reporting period, the sub-fund generated a return of -1.5% (gross of fees hedged into EUR). This negative return was largely driven by a rise of credit spreads, as the interest rate sensitivity of the fund is managed close to zero. This Feeder fund is invested for around 91.4% in its Master fund, Robeco Capital Growth Fund High Yield Bonds, with an additional overlay of interest rate swaps to hedge the interest rate risk. It also uses credit derivatives to manage the credit beta in line with its Master fund.

The Master fund's return of -9.5% (gross of fees, hedged into EUR) was above the -12.6% of its benchmark, the Bloomberg US Corp. HY & Pan Eur. HY. ex Fin. 2.5% Issuer Cap (EUR hedged). Tightening of financial conditions due to higher official rates, the war in Ukraine, gas shortages in Europe, Covid-related disruptions, were all fueling inflation and feeding recession fears. As a result, high yield credit spreads rose sharply in 2022, with CCCs underperforming the most. The on average underweight beta position of the Master fund contributed positively to the relative performance. The active tactical beta positioning added performance throughout the year. The up-in-quality positioning of the Master fund also added to the outperformance. Most of the outperformance was realized with issuer selection, by avoiding the companies with the most vulnerable balance sheets, in sectors like retail, pharma or telecom.

This Sub-fund is a Feeder Fund of Robeco High Yield Bonds (the "Master Fund"), a Sub-fund of Robeco Capital Growth Funds. The Feeder Fund invests at least 85 % of its Net Asset Value in units of the Z2H share class of the Master Fund.

The Sub-fund (the "Feeder Fund") invests up to a maximum of 15% of its assets in derivatives to target a duration of 0 year. In normal circumstances it is the intention to manage the duration within a bandwidth of -1 and 1 year.

The duration overlay will lead to a difference in duration between the Feeder Fund and the Master Fund and therefore to intended differences in the performance between the Feeder Fund and the Master Fund.

### Strategy Robeco High Yield Bonds

The fund invests at least two-thirds of its total assets in bonds, asset-backed securities and similar fixed income securities with a rating of BBB+ or equivalent or lower by at least one of the recognized rating agencies, or with no rating.

As at 31 December 2022, Robeco High Yield Bonds Feeder Fund - zero duration owns 0.6% of Robeco High Yield Bonds.

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

Over the reporting period, the sub-fund generated a return of -3.8% (gross of fees in EUR). This negative return was largely driven by a rise of credit spreads, as the interest rate sensitivity of the fund is managed close to zero. This Feeder fund is invested for around 91.4% in its Master fund, Robeco Capital Growth Fund Financial Institutions Bonds, with an additional overlay of interest rate derivatives to hedge the interest rate risk.

The Master fund's return of -12.5% (gross of fees not hedged into EUR) was above the -13.9% of its benchmark, the Bloomberg Euro Aggregate Corporate Financials Subordinated 2% Issuer Cap (euro hedged). This was mainly because of issuer selection. Important drivers within issuer selection were the overweight in bank and insurance cocos and the underweight in real estate hybrids. The top-down positioning (credit beta-allocation) contributed positively too.

The Master fund started the year with a fairly cautious positioning, but following the spread widening in February and March the beta was increased to an overweight positioning. ESG factors are taken into account when assessing the fundamental credit quality of individual issuers. The Master fund also invests in subordinated green, social and sustainability bonds, the exposure has grown to circa 6.5%.



# Report of the Board of Directors (continued)

## Performance analysis (continued)

### **Robeco Financial Institutions Bonds Feeder Fund – zero duration (continued)**

This Sub-fund is a Feeder Fund of Robeco Financial Institutions Bonds (the "Master Fund"), a Sub-fund of Robeco Capital Growth Funds. The Feeder Fund invests at least 85 % of its Net Asset Value in units of the Z2 share class of the Master Fund.

The Sub-fund (the "Feeder Fund") invests up to a maximum of 15% of its assets in derivatives to target a duration of 0 year. In normal circumstances it is the intention to manage the duration within a bandwidth of -1 and 1 year.

The duration overlay will lead to a difference in duration between the Feeder Fund and the Master Fund and therefore to intended differences in the performance between the Feeder Fund and the Master Fund.

### **Strategy Robeco Financial Institutions Bonds**

The fund invests primarily (at least 70% of its total assets) in subordinated non-government bonds and similar non-government fixed income securities (contingent convertible bonds (also "coco" bonds) included) with a minimal rating of "BBB-" or equivalent by at least one of the recognized rating agencies, and which are issued by financial institutions, denominated in the EURO currency. The Sub-fund may continue to hold such non-government bonds and similar non-government fixed income securities even if they are subsequently downgraded.

As at 31 December 2022, Robeco Financial Institutions Bonds Feeder Fund – zero duration owns 0.1% of Robeco Financial Institutions Bonds.

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

Over the reporting period, the sub-fund generated a return of -1.7% (gross of fees hedged into GBP). This negative return was largely driven by a rise of credit spreads, as the interest rate sensitivity of the fund is managed close to zero. This Feeder fund is invested for around 94% in its Master fund, Robeco Capital Growth Fund Global Credits Bonds, with an additional overlay of interest rate derivatives to hedge the interest rate risk. It also uses credit derivatives to manage the credit beta in line with its Master fund.

The Master fund's return of -16.4% (gross of fees, hedged into EUR) was just below the -16.3% of its benchmark, the Bloomberg Global Aggregate Corporate index (hedged into EUR). The Master fund's top-down positioning added to performance, it started the year with a beta below 1 while adding beta throughout the year as spreads widened. Issuer selection had a negative contribution to performance as the Master fund held an overweight position in European credits, which underperformed US credits. European credits suffered from both from the energy crisis in Europe and the rise in swap spreads, which have become a key component of European credit spreads. In the investment process, the Master fund focusses on top-down risk taking though beta and bottom-up issuer selection to assess return versus risk. ESG factors are considered when assessing the fundamental credit quality of individual issuers.

This Sub-fund is a Feeder Fund of Robeco Global Credits (the "Master Fund"), a Sub-fund of Robeco Capital Growth Funds. The Feeder Fund invests at least 85 % of its Net Asset Value in units of the Z2H share class of the Master Fund.

The Sub-fund (the "Feeder Fund") invests up to a maximum of 15% of its assets in derivatives to target a duration of 0 year. In normal circumstances it is the intention to manage the duration within a bandwidth of -1 and 1 year.

The duration overlay will lead to a difference in duration between the Feeder Fund and the Master Fund and therefore to intended differences in the performance between the Feeder Fund and the Master Fund.

### **Strategy Robeco Global Credits**

The fund invests at least two-thirds of its total assets in non-government bonds (which may include contingent convertible bonds (also "coco" bonds)) and similar non-government fixed income securities and asset backed securities from all around the world. The Sub-fund will not invest into assets with a rating lower than "B-" by at least one of the recognized rating agencies. The fund strives for economic results, while at the same time taking into account environmental, sustainable and social objectives. In the assessment, areas such as a company's corporate strategy, corporate governance, transparency, as well as the product and service range that a company offers are taken into account.

As at 31 December 2022, Robeco Financial Global Credits Feeder Fund – zero duration owns 18.6% of Robeco Global Credits.

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

Over the reporting period until the liquidation on November 15, 2022, the sub-fund generated a return of -2.6% (gross of fees hedged into EUR). This negative return was largely driven by a rise of credit spreads, as the interest rate sensitivity of the fund is managed close to zero. This Feeder fund is invested for around 94% in its Master fund, Robeco Capital Growth Fund European High Yield Bonds, with an additional overlay of interest rate swaps to hedge the interest rate risk. It also uses credit derivatives to manage the credit beta in line with its Master fund.

The Master fund's return of -8.8% (gross of fees, hedged into EUR, full year 2022) was above the -10.0% of its benchmark, the Bloomberg Pan-Eur. HY Corp. ex Fin. 2.5% Issuer Cap (hedged into EUR, full year 2022). Tightening of financial conditions due to higher official rates, the war in Ukraine, gas shortages in Europe, Covid-related disruptions, were all fueling inflation and feeding recession fears. As a result,



# Report of the Board of Directors (continued)

## Performance analysis (continued)

### **Robeco European High Yield Bonds Feeder Fund – zero duration (continued)**

high yield credit spreads rose sharply in 2022, with CCCs underperforming the most. The on average underweight beta position of the Master fund contributed positively to the relative performance. The Master fund's underweight in UK HY also contributed positively. This regional allocation is very much a matter of underlying stock picking. However, the more negative stance on the UK economic outlook added to avoiding of UK issuers that ended up performing badly. Most of the outperformance was realized with issuer selection, by avoiding the companies with the most vulnerable balance sheets, in sectors like retail and telecom.

With respect to sustainable investing, the fund has integrated ESG factors into the investment process. Integrating ESG factors into the analysis strengthens the ability to assess the downside risk of the credit investments. RobecoSAM sustainability data and external sources are used to make an ESG assessment as part of fundamental analysis.

This Sub-fund was a Feeder Fund of Robeco European High Yield Bonds (the "Master Fund"), a Sub-fund of Robeco Capital Growth Funds. The Feeder Fund invested at least 85 % of its Net Asset Value in units of the Z2H share class of the Master Fund.

The Sub-fund (the "Feeder Fund") invested up to a maximum of 15% of its assets in derivatives to target a duration of 0 year. In normal circumstances it is the intention to manage the duration within a bandwidth of -1 and 1 year.

The duration overlay will lead to a difference in duration between the Feeder Fund and the Master Fund and therefore to intended differences in the performance between the Feeder Fund and the Master Fund.

### **Strategy Robeco European High Yield Bonds**

The fund invests at least two-thirds of its total assets in bonds, asset backed securities and similar fixed income securities, denominated in European currencies (like Euro and Pound Sterling) with a rating of "BBB+" or equivalent or lower by at least one of the recognized rating agencies or with no rating. The Sub-fund uses the Barclays Pan-European HY Corporate ex Financials 2.5% Issuer Constraint index as index.

Due to the liquidation, Robeco European High Yield Bonds Feeder Fund - zero duration no longer has a position in Robeco European High Yield Bonds.



# Report of the Board of Directors (continued)

## Sustainable Investing

All Robeco's investment activities comply with the Principles for Responsible Investing (PRI). Responsibility for implementing Sustainable investing lies with Robeco's CIO Fixed Income and Sustainability, who has a seat on Robeco's Executive Committee.

Fulfilling the responsibilities in the field of stewardship forms an integral part of Robeco's approach to Sustainable investing. Robeco publishes its own stewardship policy on the website. This policy describes how Robeco deals with possible conflicts of interest, how the companies in which the sub-funds invest are monitored, how the activities in the field of engagement and voting are conducted, and how the stewardship activities are reported.

Robeco has research available from leading sustainability experts, including own proprietary research from the sustainable investing research team. This dedicated Sustainable Investing research team works together very closely with the investment teams to provide them with in-depth sustainability information. The investment analysis focuses on the most material ESG factors and the connection with the financial performance of a company. Robeco can then focus on the most relevant information in performing the investment-analysis and can reach enhanced investment decisions.

To help customers contribute to their sustainable investment objectives, Robeco has developed a methodology that analyses the contribution of investee companies to the Sustainable Development Goals (SDGs) and has developed SDG investment solutions. Furthermore, Robeco contributes to the SDGs by integrating ESG factors in its decision-making process for investments and encourages companies to act in support of these goals by means of a constructive dialogue.

Robeco's climate change policy is focused on integrating climate issues in investments when financially material and engaging with companies. Furthermore Climate risks for our funds are assessed and monitored by Robeco's financial risk management department.

Robeco pursues an exclusion policy for companies that are involved in the production of or trade in controversial weapons such as cluster munitions and anti-personnel mines, for tobacco companies and for companies that seriously and habitually violate either the United Nations Global Compact (UNGC) or the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Robeco applies strict criteria for this last category and if a dialogue fails, the company can be excluded. Robeco publishes its exclusion policy and the list of exclusions on its website.

All sub-funds of Robeco (LU) Funds III are classified as Article 8 by the SFDR. More information is available in the precontractual SFDR disclosures of the fund on our website. In this annual report for each sub-fund an Annex IV disclosure can be found with detailed with details of the achieved ESG characteristics over the reporting period.

Luxembourg, 26 April 2023

The Board of Directors

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



# Robeco (LU) Funds III

## Combined Statement of Net Assets

As at 31 December 2022

	Robeco QI Long/Short Dynamic Duration EUR	Robeco High Yield Bonds Feeder Fund – zero duration USD	Robeco Financial Institutions Bonds Feeder Fund – zero Credits duration EUR	Robeco Global Feeder Fund – zero duration EUR
<b>Assets</b>				
Investments in securities at cost	61,601,286	39,061,376	1,099,808	540,564,182
Unrealised gain/(loss)	(1,099,056)	1,733,357	(79,094)	(66,188,452)
Investments in securities at market value	60,502,230	40,794,733	1,020,714	474,375,730
Cash at bank and at brokers	2,895,033	3,271,270	57,338	41,030,113
Receivables on subscriptions	2,630,593	–	–	–
Receivables on investments sold	980	–	–	–
Interest receivable	411,574	83,222	–	389,564
Unrealised gain on financial futures contracts	197,558	414,166	25,209	4,197,540
Unrealised gain on forward currency exchange contracts	3,898	880,225	405	299,503
Swap contracts at fair value	–	887,789	–	25,159,237
Other assets	–	9	–	–
<b>Total assets</b>	<b>66,641,866</b>	<b>46,331,414</b>	<b>1,103,666</b>	<b>545,451,687</b>
<b>Liabilities</b>				
Due to brokers	30,549	1,371,623	5,223	18,481,349
Payables on redemptions	44,290	75,360	–	–
Payables on investments purchased	1,992,187	–	–	5,200,000
Interest payable	–	20,326	–	128,153
Management fees payable	23,016	18,486	675	169,000
Unrealised loss on financial futures contracts	380,753	161,042	–	518,323
Unrealised loss on forward currency exchange contracts	55,025	9,089	6,082	16,477,162
Swap contracts at fair value	–	36,908	–	–
Other liabilities	10,584	6,231	256	63,310
<b>Total liabilities</b>	<b>2,536,404</b>	<b>1,699,065</b>	<b>12,236</b>	<b>41,037,297</b>
<b>Total net assets</b>	<b>64,105,462</b>	<b>44,632,349</b>	<b>1,091,430</b>	<b>504,414,390</b>

The accompanying notes form an integral part of these financial statements.



# Robeco (LU) Funds III

## Combined Statement of Net Assets (continued)

As at 31 December 2022

	<b>Combined EUR</b>
<b>Assets</b>	
Investments in securities at cost	639,865,301
Unrealised gain/(loss)	(65,742,468)
Investments in securities at market value	574,122,833
Cash at bank and at brokers	47,047,623
Receivables on subscriptions	2,630,593
Receivables on investments sold	980
Interest receivable	879,116
Unrealised gain on financial futures contracts	4,808,375
Unrealised gain on forward currency exchange contracts	1,128,566
Swap contracts at fair value	25,991,084
Other assets	9
<b>Total assets</b>	<b>656,609,179</b>
<b>Liabilities</b>	
Due to brokers	19,802,315
Payables on redemptions	114,901
Payables on investments purchased	7,192,187
Interest payable	147,198
Management fees payable	210,012
Unrealised loss on financial futures contracts	1,049,970
Unrealised loss on forward currency exchange contracts	16,546,785
Swap contracts at fair value	34,582
Other liabilities	79,989
<b>Total liabilities</b>	<b>45,177,939</b>
<b>Total net assets</b>	<b>611,431,240</b>

<b>Feeder Funds</b>	<b>Master Funds</b>	<b>Aggregate Charges* EUR</b>
Robeco High Yield Bonds Feeder Fund – zero duration	Robeco High Yield Bonds**	334,122
Robeco Financial Institutions Bonds Feeder Fund – zero duration	Robeco Financial Institutions Bonds**	12,378
Robeco Global Credits Feeder Fund – zero duration	Robeco Global Credits**	3,229,598
Robeco European High Yield Bonds Feeder Fund – zero duration	Robeco European High Yield Bonds**	218,574

\*Covers the part of the charges allocated to the feeder fund and the part allocated to the share-class Z2H of the master funds Robeco High Yield Bonds, Robeco Global Credits, Robeco European High Yield Bonds and share-class Z2 of the master fund Robeco Financial Institutions Bonds.

\*\* These sub-funds are part of Robeco Capital Growth Funds.

The accompanying notes form an integral part of these financial statements.



# Robeco (LU) Funds III

## Combined Statement of Operations and Changes in Net Assets

For the year ended 31 December 2022

	Robeco QI Long/Short Dynamic Duration EUR	Robeco High Yield Bonds Feeder Fund – zero duration USD	Robeco Financial Institutions Bonds Feeder Fund – zero duration EUR	Robeco Global Credits Feeder Fund – zero duration EUR
<b>Net assets at the beginning of the year</b>	<b>55,259,862</b>	<b>47,008,942</b>	<b>2,091,834</b>	<b>545,022,623</b>
<b>Income</b>				
Interest income from investments, net of withholding taxes	479,758	–	–	–
Interest on swap contracts	–	188,822	343	1,617,465
Securities lending income	4,927	–	–	–
Bank interest	477	22,211	175	26,529
<b>Total income</b>	<b>485,162</b>	<b>211,033</b>	<b>518</b>	<b>1,643,994</b>
<b>Expenses</b>				
Management fees	279,513	222,147	9,454	2,066,338
Service fees	86,272	53,534	2,083	619,907
Taxe d'abonnement	16,826	1,588	117	14,218
Bank and other interest expenses	7,156	3,598	408	86,450
Interest on swap contracts	–	66,397	200	397,083
<b>Total expenses</b>	<b>389,767</b>	<b>347,264</b>	<b>12,262</b>	<b>3,183,996</b>
<b>Net investment income/(loss)</b>	<b>95,395</b>	<b>(136,231)</b>	<b>(11,744)</b>	<b>(1,540,002)</b>
Net realised gain/(loss) on:				
Sale of investments	(918,022)	482,853	(8,498)	(6,438,131)
Financial futures contracts	313,079	1,185,957	88,790	19,517,420
Forward currency exchange contracts	2,216,738	(6,109,083)	37,042	13,394,442
Swaps contracts	–	1,160,887	24,062	39,936,952
Currency exchange	(378,663)	2,106,629	(9,517)	(13,461,547)
<b>Net realised gain/(loss) for the year</b>	<b>1,233,132</b>	<b>(1,172,757)</b>	<b>131,879</b>	<b>52,949,136</b>
Net change in unrealised appreciation/(depreciation) on:				
Investments	(203,343)	(3,841,603)	(187,464)	(81,036,870)
Financial futures contracts	190,222	274,335	17,948	3,856,819
Forward currency exchange contracts	(6,786)	544,607	(4,630)	(23,607,011)
Swaps contracts	–	670,420	(15,780)	7,732,139
Currency exchange	884	(52,669)	(56)	1,037,556
<b>Net change in unrealised appreciation/(depreciation) for the year</b>	<b>(19,023)</b>	<b>(2,404,910)</b>	<b>(189,982)</b>	<b>(92,017,367)</b>
<b>Increase/(decrease) in net assets as a result of operations</b>	<b>1,309,504</b>	<b>(3,713,898)</b>	<b>(69,847)</b>	<b>(40,608,233)</b>
Subscriptions	70,417,176	4,712,254	56	–
Redemptions	(62,869,697)	(3,355,324)	(926,966)	–
<b>Increase/(decrease) in net assets as a result of movements in share capital</b>	<b>7,547,479</b>	<b>1,356,930</b>	<b>(926,910)</b>	<b>–</b>
Dividend distributions	(11,383)	(19,625)	(3,647)	–
<b>Net assets at the end of the year</b>	<b>64,105,462</b>	<b>44,632,349</b>	<b>1,091,430</b>	<b>504,414,390</b>

The accompanying notes form an integral part of these financial statements.



# Robeco (LU) Funds III

## Combined Statement of Operations and Changes in Net Assets (continued)

For the year ended 31 December 2022

	<b>Robeco European High Yield Bonds Feeder Fund – zero duration EUR</b>	<b>Combined EUR</b>
<b>Net assets at the beginning of the year</b>	<b>44,873,128</b>	<b>688,584,892</b>
<b>Income</b>		
Interest income from investments, net of withholding taxes	–	479,758
Interest on swap contracts	82,953	1,880,366
Securities lending income	–	4,927
Bank interest	600	48,908
<b>Total income</b>	<b>83,553</b>	<b>2,413,959</b>
<b>Expenses</b>		
Management fees	111,712	2,678,321
Service fees	26,811	785,994
Taxe d'abonnement	(679)	31,992
Bank and other interest expenses	5,640	103,076
Interest on swap contracts	73,385	533,824
<b>Total expenses</b>	<b>216,869</b>	<b>4,133,207</b>
<b>Net investment income/(loss)</b>	<b>(133,316)</b>	<b>(1,719,248)</b>
Net realised gain/(loss) on:		
Sale of investments	258,081	(6,647,286)
Financial futures contracts	(283,253)	20,764,104
Forward currency exchange contracts	4,888	9,842,224
Swaps contracts	2,002,293	43,067,529
Currency exchange	89	(11,845,838)
<b>Net realised gain/(loss) for the year</b>	<b>1,982,098</b>	<b>55,180,733</b>
Net change in unrealised appreciation/(depreciation) on:		
Investments	(3,101,198)	(88,182,961)
Financial futures contracts	(33,705)	4,292,228
Forward currency exchange contracts	243	(23,100,160)
Swaps contracts	(193,961)	8,160,093
Currency exchange	58	988,344
<b>Net change in unrealised appreciation/(depreciation) for the year</b>	<b>(3,328,563)</b>	<b>(97,842,456)</b>
<b>Increase/(decrease) in net assets as a result of operations</b>	<b>(1,479,781)</b>	<b>(44,380,971)</b>
Subscriptions	–	74,899,471
Redemptions	(43,393,347)	(110,381,554)
<b>Increase/(decrease) in net assets as a result of movements in share capital</b>	<b>(43,393,347)</b>	<b>(35,482,083)</b>
Dividend distributions	–	(33,697)
Foreign currency translation difference	–	2,743,099
<b>Net assets at the end of the year</b>	<b>–</b>	<b>611,431,240</b>

The accompanying notes form an integral part of these financial statements.



# Robeco (LU) Funds III

## Statistical Information (in share class currency)

	Shares outstanding as at 31 December 2022	NAV per share as at 31 December 2022	NAV per share as at 31 December 2021	NAV per share as at 31 December 2020
<b>Robeco QI Long/Short Dynamic Duration</b>				
D EUR	54,000	98.68	99.72	101.17
DH CHF <sup>1</sup>	96,105	85.97	87.26	88.69
DH USD <sup>2</sup>	22,397	111.13	110.15	110.87
E EUR	842	82.56	83.73	85.29
F EUR	22,630	94.99	95.63	96.69
G EUR	16,512	88.20	89.43	90.78
I EUR	311,018	107.26	107.92	108.96
IH CHF <sup>1</sup>	114,693	92.18	93.10	94.17
IH USD <sup>2</sup>	1,500	105.04	103.68	103.83
MH USD <sup>2</sup>	2,114	95.01	95.17	96.79
<b>Total net assets in EUR</b>		<b>64,105,462</b>	<b>55,259,862</b>	<b>68,903,132</b>
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>				
Bx USD	2,764	94.27	98.66	99.33
BxH AUD <sup>3</sup>	–	–	94.42	95.14
D2 USD	1,150	110.58	111.40	107.14
D3 USD	695	96.40	101.51	102.65
DH EUR <sup>4</sup>	586	105.05	107.96	104.15
FH EUR <sup>4</sup>	26,234	107.42	109.80	105.40
I USD	12,126	116.56	116.20	110.61
IH EUR <sup>4</sup>	344,736	107.88	110.22	105.76
<b>Total net assets in USD</b>		<b>44,632,349</b>	<b>47,008,942</b>	<b>48,774,079</b>
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>				
D EUR	7,344	103.52	108.54	106.84
D3H USD <sup>2</sup>	1,635	98.78	104.30	105.78
F EUR	–	–	109.88	107.78
I EUR	504	101.73	106.25	104.18
IH USD <sup>2</sup>	1,200	114.28	116.45	113.27
<b>Total net assets in EUR</b>		<b>1,091,430</b>	<b>2,091,834</b>	<b>2,623,077</b>
<b>Robeco Global Credits Feeder Fund – zero duration</b>				
IH GBP <sup>5</sup>	4,227,016	105.85	108.23	106.31
IH USD <sup>2</sup>	1,150	110.28	111.61	109.38
<b>Total net assets in EUR</b>		<b>504,414,390</b>	<b>545,022,623</b>	<b>508,113,066</b>
<b>Robeco European High Yield Bonds Feeder Fund – zero duration</b>				
I EUR	–	–	106.82	102.97
<b>Total net assets in EUR</b>		<b>–</b>	<b>44,873,128</b>	<b>43,255,853</b>

<sup>1</sup> This class of shares is denominated in Swiss Franc (CHF). The reference currency of the sub-fund is the Euro (EUR).

<sup>2</sup> This class of shares is denominated in US Dollar (USD). The reference currency of the sub-fund is the Euro (EUR).

<sup>3</sup> This class of shares is denominated in Australian Dollar (AUD). The reference currency of the sub-fund is the US Dollar (USD).

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

<sup>5</sup> This class of shares is denominated in British Pound (GBP). The reference currency of the sub-fund is the Euro (EUR).



# Notes to the financial statements as at 31 December 2022

## 1. General

Robeco (LU) Funds III ('the Company') was incorporated on 2 June 1992 for an undetermined period of time as an open-ended investment company based in Luxembourg, issuing and redeeming its shares on a daily basis at prices at net asset value per share. The Company reserves the right to refuse any subscription request at any time. Its Articles of Incorporation were published in the 'Mémorial, Recueil des Sociétés et Associations' of the Grand Duchy of Luxembourg (the 'Mémorial') on 11 July 1992. The Articles of Incorporation were last amended effective as per 1 January 2022. The Company is a 'Société d'Investissement à Capital Variable' (Investment Company with variable capital) pursuant to the law of 10 August 1915, as amended, on commercial companies and to part I of the modified law of 17 December 2010 on undertakings for collective investment of the Grand Duchy of Luxembourg.

The Company takes the form of an umbrella fund, i.e. it can be made up of several sub-funds each representing an investment portfolio and other assets and liabilities corresponding to a different investment policy. Each sub-fund is therefore represented by a different type of share with one or more classes of shares. The Board of Directors has the authority to issue different classes of shares within each of the sub-funds. Details of the characteristics of such classes of shares offered by the Company will be determined by the Board of Directors. The Directors of the Company may at any time decide upon the issue of Class A, AH, D, D2, D2H, DH, F, FH, I, IH, M, M2, M2H, MH, S, SH, Z and ZH shares (accumulating) and Class A1, A1H, B, BH, Bx, BxH, C, CH, Cx, CxH, D3, D3H, E, EH, G, GH, IB, IBH, IBx, IBxH, IE, IEH, IEx, IExH, M3, M3H, MB, ZB, ZBH, ZE and ZEH shares (distributing) to investors in one or several sub-funds. The reference currency of the classes of shares may be the Euro (EUR), the US Dollar (USD), the British Pound (GBP), the Swiss Franc (CHF), the Japanese Yen (JPY), the Canadian Dollar (CAD), the Mexican Peso (MXN), the Hong Kong Dollar (HKD), the Singapore Dollar (SGD), the Swedish Crown (SEK), the Norwegian Crown (NOK), the Danish Crown (DKK), the Chinese Yuan (CNH), the South-African Rand (ZAR) or the Australian Dollar (AUD).

### 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.

### Dividend policy

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

Class D, D2, F, M, M2 and I shares

Income is reinvested and added to the relevant sub-funds and contributes to a further increase in value of the total net assets.

Class B, Bx, D3, E and G shares

After the end of the reporting period, the Company can recommend what distribution shall be made from the net investment income and net capital gains attributable to the Class B, Bx, D3, E and G shares. The Annual General Meeting of Shareholders will determine the dividend payment. The Board of Directors of the Company may decide to distribute interim dividends, in accordance with Luxembourg law.

### General remarks

As provided by the 2010 law, the Company may decide to distribute dividends with no other limit than the obligation that any such dividend distribution does not reduce the net asset value of the Company below the legal minimum amount. Similarly, the Company may 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 Agent. Dividend announcements (including names of paying agents) and all other financial notices concerning Robeco (LU) Funds III shall be 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. Dividends not collected within five years will lapse and accrue for the benefit of the Company in accordance with Luxembourg law.

### Open-ended fund

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

### Swing pricing

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

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 Company considers representing 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 Company deems appropriate. The dilution adjustments may vary depending on the order type (net subscription or net redemption), on the underlying asset classes for any sub-fund or on the market conditions. The dilution adjustments as well as the dealing levels from which they become applicable may be amended from time to time depending on market conditions or any other situation where the Company is of the opinion that the interests of the Shareholders require such amendment(s).



# Notes to the financial statements as at 31 December 2022 (continued)

## 1. General (continued)

### Swing pricing (continued)

For any given valuation day, the swing factor adjustment is limited to a maximum of 2% of what the Net Asset Value would otherwise be. In exceptional circumstances, the Board of Directors may, in the best interest of Shareholders, decide to temporarily increase the swing factor above the maximum stated level. Such exceptional circumstances can be triggered by (but not limited to) high market volatility, disruption of markets or slowdown of the economy caused by terrorist attack or war (or other hostilities), serious pandemic or a natural disaster (such as a hurricane or a super typhoon).

Additional details on the anti-dilution/swing pricing adjustments and actual swing factors can be found on [www.robeco.com/riam](http://www.robeco.com/riam).

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. The dilution adjustment is made on the capital activity at the level of the Sub-fund and does not address the specific circumstances of each individual investor transaction.

### Pooling and co-management

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

### Affiliated parties

The Directors of the Company have appointed the affiliated entity Robeco Institutional Asset Management B.V. ("RIAM") 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, portfolio management and investment advisory services in respect of all Sub-funds. The Management Company may, from time to time, carry out its portfolio management activities through one or more of its European branches, which will in such case not be fully in charge of the day-to-day management of the relevant Sub-fund. The Management Company has delegated the administration, registrar and transfer functions to J.P. Morgan S.E., Luxembourg Branch. The different sub-funds and share-classes will incur an annual management fee which reflects all expenses related to the management of the Company which is payable to the Management Company. The Directors of the Company are also Director of Robeco Capital Growth Funds, Robeco Global Total Return Bond Fund, Robeco QI Global Dynamic Duration, Robeco All Strategies Funds and Robeco Institutional Solutions Funds.

Robeco (LU) Funds III is affiliated to the entities belonging to ORIX Corporation Europe N.V. The affiliation with ORIX Corporation Europe N.V. is the result of the possibility of having decisive control or a substantial influence on the Company's business policy. ORIX Corporation Europe N.V. is part of ORIX Corporation. The management structure of ORIX Corporation Europe N.V. is such that ORIX Corporation does not have any meaningful say in or influence on the Company's business policy. Besides services of other market parties, Robeco (LU) Funds III may also utilize the services of one or more of these affiliated entities including transactions relating to securities, treasury, derivatives, securities lending, and subscriptions and redemptions of its own shares, as well as management activities. Transactions are executed at market rates.

### Financial instruments

#### Risks

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

#### General investment risk

The value of the investments may fluctuate. Past performance is no guarantee of future results. The net asset value of the sub-funds is affected by developments in the financial markets and may both rise and fall. Shareholders run the risk that their investments may end up being worth less than the amount invested or even worth nothing. Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities and any amounts paid on such securities. This may in turn affect the NAV per share. General investment risk can be broken down into market risk, concentration risk and currency risk. –

#### Market risk

The net asset value of the sub-funds is sensitive to market movements. In addition, investors should be aware of the possibility that the value of investments may vary as a result of changes in political, economic or market circumstances. No assurance can, therefore, be given that the sub-fund's investment objective will be achieved. It cannot be guaranteed either that the value of a share in a sub-fund will not fall below its value at the time of acquisition.



# Notes to the financial statements as at 31 December 2022 (continued)

## 1. General (continued)

### Financial instruments (continued)

#### Risks (continued)

##### General investment risk (continued)

##### Concentration risk

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

##### Currency risk

All or part of the investment portfolio of a sub-fund may be invested in currencies or financial instruments denominated in currencies other than its reference currency. As a result, fluctuations in exchange rates may have both a negative and a positive effect on the investment result of the sub-fund.

##### Counterparty risk

A counterparty of a sub-fund may fail to fulfil its obligations towards that sub-fund. In case of hedging transactions in classes of shares, the relevant sub-fund carries the counterparty risk. This risk is limited as much as possible by only entering into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties in accordance with the Luxembourg laws and regulations. The positions that each Sub-fund takes in terms of interest-rate swaps and credit default (index) swaps (where possible) are centrally cleared at a clearing house. This means that the Sub-fund has a single central counter party (CCP) for derivative instruments with which the required collateral (Margin) is exchanged on a daily basis. To hedge the initial required collateral (Initial Margin) and for the variable required collateral (Variation Margin), the Sub-funds use cash.

##### Risk of lending financial instruments

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

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

- government bonds with a minimum credit rating of BBB;
- the bonds of supranational bodies with a minimum credit rating of BBB-;
- stocks listed on the main indexes of stock markets in OECD countries and
- cash.

As of balance-sheet date, the fund had received collateral ensuing from securities-lending transactions. More information can be found on page 24.

##### Liquidity risk

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

##### Euro currency risk

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

##### Sustainability risk

RIAM systematically incorporates sustainability factors, to the extent these present a material risk to a sub-fund, into its investment and portfolio construction processes, alongside traditional financial risk factors. This is done through ESG scoring methodologies using proprietary sustainability research and external resources which are built into the portfolio construction process.

Processes and controls for sustainability risk integration are embedded in a designated Sustainability Risk Policy which is maintained by the risk management function and governed by the Risk Management Committee (RMC). The Sustainability Risk Policy is built on three pillars. The environmental or social characteristics promoted by a Sub-fund or sustainable investment objective of a sub-fund is used to identify and assess the relevant material sustainability risk topics. Based on these characteristics or investment objectives sustainability risk is monitored. Sensitivity and scenario analyses are conducted on a frequent basis to assess any material impact climate change risk may have on the portfolio of a Sub-fund.



# Notes to the financial statements as at 31 December 2022 (continued)

## 1. General (continued)

### Financial instruments (continued)

#### Risks (continued)

##### Operational risk

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

#### Insight into actual risks

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

#### Risk management

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

#### Policy regarding the use of derivatives

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

#### Derivative instruments

The unrealized results of derivative instruments are reported in the Statement of net assets. Commitments to derivatives are not included in the Statement of net assets. They are, however, explained in the Schedule of Investments. The unrealized results presented in the Statement of net assets are disclosed by contract in the Schedule of Investments.

The derivative instruments listed in the Notes are transacted through third party brokers. Those brokers hold/paid collateral as described on page 23. The Company is exposed to counterparty risk in respect of all amounts including collateral due to it from such brokers.

## 2. Summary of significant accounting principles

### General

Unless stated otherwise, the items shown in the financial statements are included at their nominal value and expressed in the reference currency of each sub-fund. This annual report covers the reporting period from 1 January 2022 until 31 December 2022.

### Preparation and presentation of financial statements

The financial statements are prepared on the basis of the last NAV calculated during the year (30 December 2022) and presented in accordance with Luxembourg generally accepted accounting principles for investment funds. The going concern basis was applied for the preparation of the financial statements of the Fund and its sub-funds, except for the sub-funds liquidated during the year.

### Combined figures

The combined figures are expressed in Euro and are presented for information purpose only. The combined figures are the sum of the statements of each sub-funds.

### Foreign currencies

Transactions in currencies other than the reference currency of the relevant sub-fund are converted into the reference currency at the exchange rates prevailing at the time of the transaction. The market value of the investments, assets and liabilities expressed in currencies other than the reference currency of the sub-fund are converted into the sub-fund's reference currency at the exchange rates prevailing at the end of the reporting period. Any positive or negative exchange differences arising are accounted for in the Statement of operations and changes in net assets. The table on page 28 shows the exchange rates as at 30 December 2022.

### Valuation of investments

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

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



# Notes to the financial statements as at 31 December 2022 (continued)

## 2. Summary of significant accounting principles (continued)

### Valuation of investments (continued)

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

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

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

In the event that any assets are not listed or dealt in on any stock exchange or on any regulated market, or if, with respect to assets listed or dealt in on any stock exchange, or on any regulated market as aforesaid, where the above valuation methods are inappropriate or misleading, the Board of Directors may adopt any other appropriate valuation principles for the assets of the Company.

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

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

#### Investment transactions and investment income

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

## 3. Open forward exchange transactions

Open forward exchange transactions are valued with market practice valuation models using forwards rates based on exchange and interest rates applicable at 31 December 2022. The unrealized results of these transactions have been recorded gross in the Statement of net assets under the heading 'Unrealised gain/loss on forward currency exchange contracts' and changes in unrealized results are recorded in the Statement of operations and changes in net assets under the heading 'Net change in unrealised appreciation/(depreciation) on forward currency exchange contracts'. The contracts outstanding as at 31 December 2022 are disclosed in the Schedule of Investments. Information on the collateral received or paid on these positions is stated in the table on page 23. The paid collateral is restricted cash and is included in the Statement of net assets under the Assets 'Cash at bank and at brokers'. The received collateral is included in the Statement of net assets under the liabilities 'Due to brokers'.

## 4. Interest Rate Swaps

Interest rate swaps are valued with market practice valuation models using exchange and interest rates applicable at 31 December 2022. The unrealized gains/losses on interest rate swaps are recorded gross in the Statement of net assets under the heading 'Swap contracts at fair value' and changes in unrealized results are recorded in the Statement of operations and changes in net assets under the heading 'Net change in unrealised appreciation/(depreciation) on Swaps contracts'. The contracts outstanding as at 31 December 2022 are disclosed in the Schedule of Investments. Information on the collateral on these positions is stated in the table on page 23. The paid collateral is restricted cash and is included in the Statement of net assets under the Assets 'Cash at bank and at brokers'. The received collateral is included in the Statement of net assets under the liabilities 'Due to brokers'.



# Notes to the financial statements as at 31 December 2022 (continued)

## 5. Credit Default Swaps

Credit default swaps are valued at fair value under procedures. The valuation is based on recognised market models with observable market inputs used to perform the valuation. The unrealized gains/losses on credit default swaps are recorded gross in the Statement of net assets under the heading 'Swap contracts at fair value' and changes in unrealized results are recorded in the Statement of operations and changes in net assets under the heading 'Net change in unrealised appreciation/(depreciation) on Swaps contracts'. The contracts outstanding as at 31 December 2022 are disclosed in the Schedule of Investments. Information on the collateral on these positions is stated in the table on page 23. The paid collateral is restricted cash and is included in the Statement of net assets under the Assets 'Cash at bank and at brokers'. The received collateral is included in the Statement of net assets under the liabilities 'Due to brokers'.

## 6. Financial futures contracts

Regulated futures contracts are valued at their exchange quoted settlement price. Initial margin deposits are made upon entering into futures contracts. Variation margin payments are made or received, depending on the daily fluctuation in market value of the contract and are recorded by the fund as unrealized appreciation or depreciation. When the contract is closed, the Company records a realized gain or loss equal to difference between the value of the contract at the time it was opened and the value at the time it was closed. All margin deposits are included in the Statement of net assets under the heading 'Cash at bank and at brokers'.

Changes in unrealized results and realized results during the year are both recorded in the Statement of operations and changes in net assets. The contracts outstanding as at 31 December 2022 are disclosed in the Schedule of Investments.

## 7. Collateral

Several sub-funds received or paid collateral to cover the unrealized results on derivative instruments. Collaterals are calculated and settled on a daily basis per counterparty. The collateral is primarily cash held at the broker in the name of the sub-fund. The paid collateral is restricted cash and is included in the Statement of net assets under the Assets 'Cash at bank and at brokers'. The received collateral is included in the Statement of net assets under the liabilities 'Due to brokers'. No cash collateral has been reinvested. The amounts and counterparty are shown in the table below.

Sub-fund name	Currency	Counterparty	Type of collateral	Collateral received	Collateral pledged
Robeco High Yield Bonds Feeder Fund – zero duration	USD	Barclays <sup>1</sup>	Cash	1,349,047	836,387
Robeco High Yield Bonds Feeder Fund – zero duration	USD	Citi <sup>1</sup>	Cash	135	180,755
Robeco Global Credits Feeder Fund – zero duration	EUR	Barclays <sup>1</sup>	Cash	17,161,539	12,580,000
Robeco Global Credits Feeder Fund – zero duration	EUR	Citi <sup>1</sup>	Cash	826,026	2,338,751
Robeco Global Credits Feeder Fund – zero duration	EUR	J.P. Morgan	Cash	–	80,000

<sup>1</sup>The unrealized results on Interest Rate Swaps are settled daily via collateral payments/receipts between the fund and the Central Clearing Party (London Clearing House), which is placed between the fund and the counterparty.

In addition to the 'Cash at bank and at brokers/ Due to brokers' reflected in the Statement of Net Assets, the Fund received or paid collaterals which is not reflected in the Net Asset Value of the Fund neither in the Statement of Net Assets. The amount and counterparty are shown in the table below.

Sub-fund name	Currency	Counterparty	Type of collateral	Collateral received	Collateral pledged
Robeco High Yield Bonds Feeder Fund – zero duration	USD	Barclays	Cash	770,000	–

## 8. Schedule of Investments

The Schedule of Investments of the sub-funds are included at the end of this report.



# Notes to the financial statements as at 31 December 2022 (continued)

## 9. Securities lending

J.P. Morgan SE is lending agent for all Robeco (LU) Funds III securities lending transactions. J.P. Morgan SE is authorized to retain a fee in an amount equal to (A) 25% for any loans which generate a return of 0.5% or less and (B) 10% for any loans which generate a return greater than 0.5% of the sum of (i) earnings derived from Authorised Investments (as adjusted for any Rebate paid or received by J.P. Morgan) (ii) any fee, paid or payable by Borrower with respect to loans (including any loan fee but excluding any compensation payable by borrower under the MSLA in connection with a loan (net, however, of any other amount payable by Lender in connection with such loan). Gains and losses on Cash Collateral investments shall not be taken into account in calculating earnings for the purpose of J.P. Morgan's fees. The following table shows the position of the collateralized securities lending transactions with first-class financial institutions as described in the prospectus at the end of the reporting period as well as the income from securities lending over the reporting period for the Company and the income for J.P. Morgan SE. Income on securities lending transactions is recorded under the heading 'Securities lending income' in the Statement of operations and changes in net assets. Collateral received in the frame of the lending activity, primarily securities, is held in the name of the fund on an escrow account with external agents. In exceptional cases, the collateral is received in cash, which is not subject to reinvestment. More information on collateral received can be found on page 46 and further.

Sub-Fund	Sub-Fund currency	Counterparty	Market value of securities on loan in Sub-Fund currency	Cash collateral in Sub-Fund currency	Non cash collateral in Sub-Fund currency	Total collateral in Sub-Fund currency
Robeco QI Long/Short Dynamic Duration	EUR	Deutsche Bank	946,681	–	969,154	969,154
Robeco QI Long/Short Dynamic Duration	EUR	J.P. Morgan	1,964,118	861,691	1,177,102	2,038,793
Robeco QI Long/Short Dynamic Duration	EUR	Goldman Sachs	403,027	–	412,979	412,979
Robeco QI Long/Short Dynamic Duration	EUR	BNP Paribas	1,191,749	–	1,217,440	1,217,440
Robeco QI Long/Short Dynamic Duration	EUR	Societe Generale	282,651	–	292,337	292,337
Robeco QI Long/Short Dynamic Duration	EUR	Nomura	211,324	–	222,506	222,506

Sub-Fund	Sub-Fund currency	Lending income (gross) in Sub-Fund currency	Lending agent fee in Sub-Fund currency	Lending income (net) in Sub-Fund currency
Robeco QI Long/Short Dynamic Duration	EUR	6,337	1,410	4,927

## 10. Taxes

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

## 11. Management Company

The Board of Directors of the Company have appointed Robeco Institutional Asset Management B.V. as the Management Company to be responsible on a day-to-day basis for providing administration, marketing and investment management services in respect of the sub-funds.

Robeco Institutional Asset Management ("RIAM") is incorporated under the laws of The Netherlands on 21 May 1974 and at that time called Rotrusco B.V. On 25 February 1997, the name was changed into RIAM. RIAM holds an AIFMD license as referred to in Section 2:65 Wft. In addition, RIAM is licensed as a manager of UCITS (2:69b Wft, the Dutch Financial Supervision Act). RIAM is moreover authorized to manage individual assets and give advice with respect to financial instruments. RIAM is subject to supervision by the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, "AFM").

The Management Company has delegated the administration functions and registrar agent functions to J.P. Morgan SE.



# Notes to the financial statements as at 31 December 2022 (continued)

## 11. Management Company (continued)

The Management Company has delegated the administration functions and registrar agent functions to J.P. Morgan SE.

RIAM is part of ORIX Corporation Europe N.V. and also acts as the Management Company for other Luxembourg and Dutch domiciled funds.

## 12. Management and service fees

The different sub-funds or class of shares incur an annual management fee payable to the Management Company, which reflects expenses<sup>1</sup> related to the management of the sub-funds. Furthermore the different sub-funds or classes of shares incur an annual service fee payable to the Management Company reflecting expenses<sup>1</sup> such as the fees of the administration agent, the registrar agent, auditors and legal advisers, the costs of custody (including custody fees and bank charges), the costs of depositary services, the costs of preparing, printing and distributing all prospectuses, memorandums, reports and other necessary documents concerning the Company, any fees and expenses involved in the registration of the Company with any governmental agency and stock exchange, the costs of publishing prices and operational expenses, and the cost of holding shareholders' meetings.

<sup>1</sup> Additional expenses may be charged to the Fund on an exceptional basis as disclosed in the prospectus.

The annual charges, both management fee and service fee, are expressed as a percentage of the net asset value. The charges, paid quarterly, are based on the net asset value of the relevant period and are reflected in the share price.

The following table shows the maximum percentages for the different outstanding classes of shares on an annual basis.

	Management fee (%)	Service fee (%)
<b>Robeco QI Long/Short Dynamic Duration</b>		
D EUR	0.70	0.16
DH CHF	0.70	0.16
DH USD	0.70	0.16
E EUR	0.70	0.16
F EUR	0.35	0.16
G EUR	0.35	0.16
I EUR	0.35	0.12
IH CHF	0.35	0.12
IH USD	0.35	0.12
MH USD	1.75	0.16
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>		
Bx USD	1.00	0.16
D2 USD	1.50	0.16
D3 USD	1.50	0.16
DH EUR	1.00	0.16
FH EUR	0.50	0.16
I USD	0.50	0.12
IH EUR	0.50	0.12
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>		
D EUR	0.70	0.16
D3H USD	1.50	0.16
I EUR	0.35	0.12
IH USD	0.35	0.12
<b>Robeco Global Credits Feeder Fund – zero duration</b>		
IH GBP	0.40	0.12
IH USD	0.40	0.12

If the net asset value per share class exceeds EUR 1 billion the service fee will be reduced by 0.02% for the portion above 1 billion. If the net asset per share class value exceeds EUR 5 billion, the service fee will be reduced by a further 0.02% for the portion above EUR 5 billion.



# Notes to the financial statements as at 31 December 2022 (continued)

## 13. Depositary fees

The Depositary bank is remunerated in accordance with the agreement between J.P. Morgan SE (acting as the depositary) and the Company. The depositary fees are paid by RIAM out of the service fee.

## 14. Other operating expenses

The banking fees relating to the assets of the sub-funds or expenses incurred thereof, such as proxy voting are paid by RIAM out of the service fee. The costs of establishing the Company have been paid entirely. If additional sub-funds are created in the future, these sub-funds will bear, in principle, their own formation expenses.

## 15. Transaction costs

The sub-funds and its classes of shares pay directly commissions, brokerage fees and taxes resulting from financial transactions. Transaction costs are included in the purchase/sale price of the securities.

<b>Sub-Fund</b>	<b>Sub-Fund Currency</b>	<b>Total transaction costs</b>
Robeco QI Long/Short Dynamic Duration	EUR	1,054
Robeco High Yield Bonds Feeder Fund – zero duration	USD	7,330
Robeco Financial Institutions Bonds Feeder Fund – zero duration	EUR	3,685
Robeco Global Credits Feeder Fund – zero duration	EUR	32,868
Robeco European High Yield Bonds Feeder Fund – zero duration	EUR	5,893



# Notes to the financial statements as at 31 December 2022 (continued)

## 16. Total Expense Ratio (TER)

The Total Expense Ratio ('TER') expresses the operational costs (e.g. management fee, service fee, taxe d'abonnement and bank charges) charged to the sub-funds as a percentage of the average assets entrusted, calculated on a daily basis, during the reporting period. The TER as shown below do not include transaction costs. The other costs concern mainly bank charges, and taxe d'abonnement. Total Expense Ratio are annualized for periods less than one year.

Sub-Fund	Management fee	Service fee	Other costs	Other costs fund shares	Total
<b>Robeco QI Long/Short Dynamic Duration</b>					
D EUR	0.70	0.16	0.05	–	0.91
DH CHF	0.70	0.16	0.06	–	0.92
DH USD	0.70	0.16	0.05	–	0.91
E EUR	0.70	0.16	0.05	–	0.91
F EUR	0.35	0.16	0.04	–	0.55
G EUR	0.35	0.16	0.05	–	0.56
I EUR	0.35	0.12	0.01	–	0.48
IH CHF	0.35	0.12	0.01	–	0.48
IH USD	0.35	0.12	0.01	–	0.48
MH USD	1.75	0.16	0.05	–	1.96
<b>Robeco High Yield Bonds Feeder Fund – zero duration</b>					
Bx USD	1.00	0.16	0.01	0.01	1.18
BxH AUD	1.00	0.16	–	0.01	1.17
D2 USD	1.50	0.16	0.01	0.01	1.68
D3 USD	1.50	0.16	–	0.01	1.67
DH EUR	1.00	0.16	0.01	0.01	1.18
FH EUR	0.50	0.16	0.01	0.01	0.68
I USD	0.50	0.12	–	0.01	0.63
IH EUR	0.50	0.12	–	0.01	0.63
<b>Robeco Financial Institutions Bonds Feeder Fund – zero duration</b>					
D EUR	0.70	0.16	0.01	0.01	0.88
D3H USD	1.50	0.16	–	0.01	1.67
F EUR	0.35	0.16	–	0.01	0.52
I EUR	0.35	0.12	–	0.01	0.48
IH USD	0.35	0.12	–	0.01	0.48
<b>Robeco Global Credits Feeder Fund – zero duration</b>					
IH GBP	0.40	0.12	–	0.01	0.53
IH USD	0.40	0.12	–	0.01	0.53
<b>Robeco European High Yield Bonds Feeder Fund – zero duration</b>					
I EUR	0.50	0.12	–	0.01	0.63

## 17. Hard commissions and soft-dollar arrangements

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

## 18. Portfolio Turnover Ratio (PTR)

This is the turnover ratio of the investments, against the average assets entrusted and this is a measure of the incurred transaction costs resulting from the investment portfolio policies pursued and the ensuing investment transactions. In the calculation method that is used the amount of turnover is determined by the sum of purchases and sales of investments, excluding derivative and liquidity instruments, less the sum of issuance and repurchase of own shares, divided by the daily average of the net assets. The portfolio turnover ratio is determined by expressing the amount of turnover as a percentage of the average assets entrusted. Following table shows the portfolio turnover ratios of the sub-funds.



# Notes to the financial statements as at 31 December 2022 (continued)

## 18. Portfolio Turnover Ratio (PTR) (continued)

Sub-Fund Name	Portfolio turnover ratio (%)
Robeco QI Long/Short Dynamic Duration	23.90
Robeco High Yield Bonds Feeder Fund – zero duration	28.43
Robeco Financial Institutions Bonds Feeder Fund – zero duration	0.90
Robeco Global Credits Feeder Fund – zero duration	38.40
Robeco European High Yield Bonds Feeder Fund – zero duration	2.35

## 19. Changes in the investment portfolio

The statement of changes in the investment portfolio during the period from 1 January 2022 to 31 December 2022 inclusive may be obtained free of charge at the offices of the Company, the Depositary, or any Nominee.

## 20. Retrocessions and trailer fees

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

## 21. Transactions with affiliated parties

No transactions were effected with affiliated parties during the reporting period other than management activities.

## 22. Exchange Rates

Currency	Rate
EUR = 1	
GBP	0.8872
USD	1.0672

## 23. Safeguards for non-audit services

In addition to the audit, KPMG Audit S.à r.l. provided indirectly permissible tax services to the Fund. Where non-audit services are provided to the Fund, full consideration of the financial and other implications for the independence of the auditor arising from such engagement are considered prior to proceeding.

Luxembourg, 26 April 2023

The Board of Directors  
Mr. J.H. van den Akker  
Mr. I.R.M. Frielink  
Mr. C.M.A. Hertz  
Mr. P.F. van der Worp  
Mrs. J.F. Wilkinson



# Report Of The Réviseur D'Entreprises Agréé

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Robeco (LU) Funds III and each of its sub-funds ("the Fund"), which comprise the statement of net assets and the schedule of investments as at December 31, 2022 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Robeco (LU) Funds III and each of its sub-funds as at December 31, 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation and existence of the investments in securities at market value (Refer to note 2 of the financial statements)

*Why the matter was considered to be one of most significance to the audit*

The investments in securities at market value represent between 91.40% and 94.38% of total net assets (by value) as at 31 December 2022 depending on sub-fund, and are considered to be the key driver of the Fund's performance. The market values of the majority of the Fund's investments are based on available market prices from an official stock exchange or another regulated market. Accordingly, the valuations of investments are considered to be a key audit matter due to the significance of the balances to the financial statements as a whole.

*How the matter was addressed in our audit*

We have performed the following procedures:

- for the investments in shares or units of underlying open-ended investment funds, we compared their valuation as at year-end to valuations recalculated using the audited or published net asset value per share or unit;
- for the investments where market prices were available, we compared their valuation using externally quoted prices; and
- agreed holdings in the schedules of investments as at year-end to the confirmations received directly from the depositary bank.

### Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.



# Report Of The Reviser D'Entreprises Agree (continued)

## Report on the audit of the financial statements (continued)

### Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.



# Report Of The Reviseur D'Entreprises Agree (continued)

## Report on the audit of the financial statements (continued)

### Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the shareholders on May 27, 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Fund in conducting the audit.

Luxembourg, April 26, 2023

KPMG Audit S.à r.l.  
Cabinet de révision agréé  
39, Avenue John F. Kennedy  
L-1855, Luxembourg



Vincent Ehx



# Schedule of Investments

## Robeco QI Long/Short Dynamic Duration As at 31 December 2022

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Bonds				
<i>Australia</i>				
Australia & New Zealand Banking Group Ltd., Reg. S 0.25% 17/03/2025	EUR	1,000,000	932,082	1.45
			932,082	1.45
<i>Canada</i>				
Bank of Montreal, Reg. S 0.25% 10/01/2024	EUR	1,000,000	969,889	1.51
Province of Quebec Canada, Reg. S 2.25% 17/07/2023	EUR	1,400,000	1,395,743	2.18
Royal Bank of Canada, Reg. S 0.25% 29/01/2024	EUR	1,300,000	1,258,991	1.97
Toronto-Dominion Bank (The), Reg. S 0.25% 26/03/2024	EUR	1,000,000	963,419	1.50
			4,588,042	7.16
<i>Denmark</i>				
Kommunekredit, Reg. S 0.25% 29/03/2023	EUR	1,400,000	1,393,919	2.17
			1,393,919	2.17
<i>France</i>				
Agence Francaise de Developpement EPIC 4% 14/03/2023	EUR	1,500,000	1,502,973	2.34
BPCE SFH SA, Reg. S 0.375% 10/02/2023	EUR	1,500,000	1,497,507	2.34
Bpifrance SACA, Reg. S 0.125% 25/11/2023	EUR	1,200,000	1,167,933	1.82
Caisse Centrale du Credit Immobilier de France SA, Reg. S 0% 17/01/2024	EUR	1,600,000	1,548,377	2.42
Caisse de Refinancement de l'Habitat SA 3.6% 08/03/2024	EUR	2,000,000	2,007,256	3.13
Cie de Financement Foncier SA, Reg. S 0.25% 11/04/2023	EUR	1,600,000	1,591,497	2.48
Dexia Credit Local SA, Reg. S 0.25% 01/06/2023	EUR	800,000	792,669	1.24
France Government Bond OAT, Reg. S 0% 25/03/2023	EUR	2,500,000	2,488,866	3.88
France Government Bond OAT, Reg. S 1.75% 25/05/2023	EUR	2,841,000	2,834,229	4.42
France Treasury Bill BTF, Reg. S 0% 04/05/2023	EUR	1,000,000	993,482	1.55
Regie Autonome des Transports Parisiens, Reg. S 4.125% 13/04/2023	EUR	1,300,000	1,304,531	2.03
Region of Ile de France, Reg. S 2.25% 10/06/2023	EUR	1,000,000	997,587	1.56
SFIL SA, Reg. S 0% 24/05/2024	EUR	1,000,000	955,803	1.49
SNCF Reseau, Reg. S 4.5% 30/01/2024	EUR	1,250,000	1,267,245	1.98
			20,949,955	32.68
<i>Germany</i>				
Land Baden-Wuerttemberg, Reg. S, FRN 1.453% 19/02/2024	EUR	2,000,000	2,014,143	3.14
NRW Bank, Reg. S, FRN 2.308% 26/01/2023	EUR	2,000,000	2,000,603	3.12
State of Berlin Germany, Reg. S, FRN 1.748% 09/10/2023	EUR	2,000,000	2,008,609	3.14
State of Brandenburg, Reg. S, FRN 2.422% 29/11/2023	EUR	2,000,000	2,009,621	3.14
State of Lower Saxony, Reg. S 0.05% 20/09/2023	EUR	1,080,000	1,059,298	1.65
State of Schleswig-Holstein Germany, Reg. S, FRN 2.048% 12/05/2023	EUR	2,000,000	2,001,870	3.12
			11,094,144	17.31



## Schedule of Investments (continued)

### Robeco QI Long/Short Dynamic Duration

As at 31 December 2022

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Bonds (continued)				
<i>Italy</i>				
Italy Buoni Poliennali Del Tesoro, Reg. S 0.95% 01/03/2023	EUR	1,500,000	1,497,626	2.34
			1,497,626	2.34
<i>Netherlands</i>				
ABN AMRO Bank NV, Reg. S 2.375% 23/01/2024	EUR	1,500,000	1,487,236	2.32
Aegon Bank NV, Reg. S 0.25% 25/05/2055	EUR	1,700,000	1,684,784	2.63
Nederlandse Waterschapsbank NV, Reg. S 0.5% 19/01/2023	EUR	800,000	799,473	1.25
			3,971,493	6.20
<i>Norway</i>				
SpareBank 1 Boligkreditt A/S, Reg. S 0.375% 26/06/2024	EUR	1,500,000	1,436,635	2.24
			1,436,635	2.24
<i>South Korea</i>				
Export-Import Bank of Korea, Reg. S 0% 19/10/2024	EUR	1,000,000	931,443	1.45
Korea Development Bank (The), Reg. S 0.625% 17/07/2023	EUR	1,000,000	987,063	1.54
Korea Government Bond, Reg. S 2.125% 10/06/2024	EUR	1,000,000	980,000	1.53
			2,898,506	4.52
<i>Spain</i>				
Banco Bilbao Vizcaya Argentaria SA 4% 25/02/2025	EUR	1,000,000	1,010,840	1.58
Fondo De Titulizacion Del Deficit Del Sistema Electrico FTA, Reg. S 0.5% 17/06/2023	EUR	1,100,000	1,089,958	1.70
Spain Bonos y Obligaciones del Estado 0% 30/04/2023	EUR	1,500,000	1,489,820	2.32
			3,590,618	5.60
<i>Supranational</i>				
European Investment Bank, Reg. S, FRN 3.906% 23/01/2023	EUR	1,500,000	1,500,161	2.34
European Stability Mechanism Treasury Bill 0% 20/04/2023	EUR	1,600,000	1,589,487	2.48
European Union Bill 0% 03/03/2023	EUR	1,500,000	1,495,498	2.33
European Union Bill 0% 07/04/2023	EUR	1,000,000	994,758	1.55
			5,579,904	8.70
<i>United Kingdom</i>				
Nationwide Building Society, Reg. S 0.05% 03/06/2024	EUR	1,150,000	1,097,620	1.71
Santander UK plc, Reg. S 0.375% 20/09/2023	EUR	1,500,000	1,471,686	2.30
			2,569,306	4.01
Total Bonds			60,502,230	94.38
Total Transferable securities and money market instruments admitted to an official exchange listing			60,502,230	94.38



## Schedule of Investments (continued)

### Robeco QI Long/Short Dynamic Duration

As at 31 December 2022

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
<b>Total Investments</b>			<b>60,502,230</b>	<b>94.38</b>
<b>Cash</b>			<b>2,864,484</b>	<b>4.47</b>
<b>Other assets/(liabilities)</b>			<b>738,748</b>	<b>1.15</b>
<b>Total net assets</b>			<b>64,105,462</b>	<b>100.00</b>

### Robeco QI Long/Short Dynamic Duration

As at 31 December 2022

#### Financial Futures Contracts

Security Description	Number of Contracts	Currency	Global Exposure EUR	Unrealised Gain/(Loss) EUR	% of Net Assets
Euro-Schatz, 08/03/2023	(173)	EUR	(18,237,660)	197,558	0.31
<b>Total Unrealised Gain on Financial Futures Contracts</b>				<b>197,558</b>	<b>0.31</b>
US 2 Year Note, 31/03/2023	33	USD	6,338,721	(24,759)	(0.04)
US 5 Year Note, 31/03/2023	73	USD	7,375,454	(68,759)	(0.11)
US 10 Year Note, 22/03/2023	25	USD	2,626,859	(35,195)	(0.06)
Japan 10 Year Bond, 13/03/2023	15	JPY	15,494,436	(73,027)	(0.11)
Japan 10 Year Bond Mini, 10/03/2023	24	JPY	2,479,280	(7,398)	(0.01)
US Long Bond, 22/03/2023	53	USD	6,192,024	(171,615)	(0.27)
<b>Total Unrealised Loss on Financial Futures Contracts</b>				<b>(380,753)</b>	<b>(0.60)</b>
<b>Net Unrealised Loss on Financial Futures Contracts</b>				<b>(183,195)</b>	<b>(0.29)</b>



## Schedule of Investments (continued)

### Robeco QI Long/Short Dynamic Duration

As at 31 December 2022

#### Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	16,988	CHF	16,690	12/01/2023	HSBC	79	–
EUR	64,512	CHF	63,467	19/01/2023	Barclays	193	–
EUR	10,530	CHF	10,373	19/01/2023	HSBC	18	–
EUR	147,532	CHF	145,368	19/01/2023	J.P. Morgan	211	–
EUR	149,235	JPY	21,000,000	12/01/2023	HSBC	19	–
EUR	244,100	USD	260,000	12/01/2023	BNP Paribas	640	–
EUR	426,984	USD	453,390	12/01/2023	HSBC	2,437	–
EUR	11,140	USD	11,863	19/01/2023	Barclays	38	–
EUR	69,473	USD	74,060	19/01/2023	HSBC	159	–
JPY	4,356,140	EUR	30,849	12/01/2023	HSBC	104	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>3,898</b>	<b>–</b>
CHF	19,048,510	EUR	19,349,295	19/01/2023	BNP Paribas	(44,979)	(0.07)
CHF	15,565	EUR	15,774	19/01/2023	HSBC	(1)	–
EUR	13,122	CHF	12,972	19/01/2023	HSBC	(24)	–
EUR	77,657	JPY	11,000,000	12/01/2023	BNP Paribas	(504)	–
USD	295,940	EUR	277,735	12/01/2023	HSBC	(621)	–
USD	2,938,219	EUR	2,758,787	19/01/2023	BNP Paribas	(8,896)	(0.01)
<b>Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(55,025)</b>	<b>(0.08)</b>
<b>Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(51,127)</b>	<b>(0.08)</b>



## Schedule of Investments (continued)

### Robeco High Yield Bonds Feeder Fund – zero duration As at 31 December 2022

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - UCITS				
<i>Luxembourg</i>				
Robeco High Yield Bonds - Z2H USD <sup>†</sup>	USD	347,974	40,794,733	91.40
			40,794,733	91.40
Total Collective Investment Schemes - UCITS			40,794,733	91.40
Total Units of authorised UCITS or other collective investment undertakings			40,794,733	91.40
<b>Total Investments</b>			<b>40,794,733</b>	<b>91.40</b>
<b>Cash</b>			<b>1,899,647</b>	<b>4.26</b>
<b>Other assets/(liabilities)</b>			<b>1,937,969</b>	<b>4.34</b>
<b>Total net assets</b>			<b>44,632,349</b>	<b>100.00</b>

<sup>†</sup>Related Party Fund.

### Robeco High Yield Bonds Feeder Fund - zero duration As at 31 December 2022

#### Financial Futures Contracts

Security Description	Number of Contracts	Currency	Global Exposure USD	Unrealised Gain/(Loss) USD	% of Net Assets
US 2 Year Note, 31/03/2023	4	USD	820,000	913	–
US 5 Year Note, 31/03/2023	(74)	USD	(7,979,281)	19,104	0.04
US 10 Year Note, 22/03/2023	(15)	USD	(1,682,109)	11,517	0.03
US 10 Year Ultra Bond, 22/03/2023	(5)	USD	(589,453)	5,933	0.01
Euro-Bobl, 08/03/2023	(89)	EUR	(10,994,543)	343,041	0.77
Euro-Schatz, 08/03/2023	(2)	EUR	(225,019)	2,438	0.01
Long Gilt, 29/03/2023	(4)	GBP	(480,679)	26,193	0.06
US Ultra Bond, 22/03/2023	(2)	USD	(267,062)	5,027	0.01
<b>Total Unrealised Gain on Financial Futures Contracts</b>				<b>414,166</b>	<b>0.93</b>
Euro-Bund, 08/03/2023	16	EUR	2,269,913	(147,366)	(0.33)
US Long Bond, 22/03/2023	7	USD	872,812	(13,676)	(0.03)
<b>Total Unrealised Loss on Financial Futures Contracts</b>				<b>(161,042)</b>	<b>(0.36)</b>
<b>Net Unrealised Gain on Financial Futures Contracts</b>				<b>253,124</b>	<b>0.57</b>



## Schedule of Investments (continued)

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

As at 31 December 2022

#### Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
EUR	50,111	USD	53,217	03/01/2023	Barclays	263	–
EUR	38,325,720	USD	40,087,562	09/01/2023	Barclays	832,973	1.87
EUR	511,160	USD	543,740	09/01/2023	BNP Paribas	2,028	0.01
EUR	14,934	USD	15,810	09/01/2023	HSBC	135	–
EUR	1,821,254	USD	1,920,335	09/01/2023	HSBC	24,225	0.05
EUR	1,179,044	USD	1,239,592	09/01/2023	J.P. Morgan	19,278	0.04
USD	134,902	GBP	111,030	09/01/2023	HSBC	1,323	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>880,225</b>	<b>1.97</b>
USD	348,189	EUR	328,150	09/01/2023	Barclays	(2,178)	–
USD	203,553	EUR	193,045	09/01/2023	BNP Paribas	(2,562)	(0.01)
USD	244,619	EUR	229,998	09/01/2023	HSBC	(952)	–
USD	445,572	EUR	420,499	09/01/2023	HSBC	(3,397)	(0.01)
<b>Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(9,089)</b>	<b>(0.02)</b>
<b>Net Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>871,136</b>	<b>1.95</b>

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

As at 31 December 2022

#### Interest Rate Swap Contracts

Nominal Amount	Currency	Counterparty	Security Description	Maturity Date	Market Value USD	% of Net Assets
9,602,000	EUR	Barclays	Pay fixed (0.5)% Receive floating EURIBOR 6 month	24/02/2023	21,841	0.05
2,610,000	USD	Barclays	Pay fixed 3.05% Receive floating SOFR 1 day	13/09/2032	111,185	0.25
6,900,000	USD	Barclays	Pay fixed 2.54% Receive floating SOFR 1 day	08/04/2027	355,585	0.79
1,486,000	USD	Barclays	Pay fixed 1.842% Receive floating LIBOR 3 month	24/02/2041	382,743	0.86
<b>Total Market Value on Interest Rate Swap Contracts - Assets</b>					<b>871,354</b>	<b>1.95</b>
300,000	EUR	Barclays	Pay floating EURIBOR 6 month Receive fixed 0.969%	20/09/2028	(36,908)	(0.08)
<b>Total Market Value on Interest Rate Swap Contracts - Liabilities</b>					<b>(36,908)</b>	<b>(0.08)</b>
<b>Net Market Value on Interest Rate Swap Contracts - Assets</b>					<b>834,446</b>	<b>1.87</b>



## Schedule of Investments (continued)

### Robeco High Yield Bonds Feeder Fund – zero duration As at 31 December 2022

#### Credit Default Swap Contracts

Nominal Amount	Currency	Counterparty	Reference Entity	Buy/Sell	Interest (Paid)/ Received Rate	Maturity Date	Market Value USD	% of Net Assets
1,450,000 USD		Citigroup	CDX.NA.HY.39-V1	Sell	5.00%	20/12/2027	8,445	0.02
750,000 EUR		Citigroup	ITRAXX.EUROPE.CROSSOVER.38-V1	Sell	5.00%	20/12/2027	7,990	0.02
<b>Total Market Value on Credit Default Swap Contracts - Assets</b>							<b>16,435</b>	<b>0.04</b>
<b>Net Market Value on Credit Default Swap Contracts - Assets</b>							<b>16,435</b>	<b>0.04</b>



## Schedule of Investments (continued)

### Robeco Financial Institutions Bonds Feeder Fund – zero duration As at 31 December 2022

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - UCITS				
<i>Luxembourg</i>				
Robeco Financial Institutions Bonds - Z2 EUR <sup>†</sup>	EUR	10,290	1,020,714	93.52
			1,020,714	93.52
Total Collective Investment Schemes - UCITS			1,020,714	93.52
Total Units of authorised UCITS or other collective investment undertakings			1,020,714	93.52
<b>Total Investments</b>			<b>1,020,714</b>	<b>93.52</b>
<b>Cash</b>			<b>52,115</b>	<b>4.77</b>
<b>Other assets/(liabilities)</b>			<b>18,601</b>	<b>1.71</b>
<b>Total net assets</b>			<b>1,091,430</b>	<b>100.00</b>

<sup>†</sup>Related Party Fund.

### Robeco Financial Institutions Bonds Feeder Fund - zero duration As at 31 December 2022

#### Financial Futures Contracts

Security Description	Number of Contracts	Currency	Global Exposure EUR	Unrealised Gain/(Loss) EUR	% of Net Assets
Euro-Bobl, 08/03/2023	(4)	EUR	(463,000)	14,305	1.31
Euro-Bund, 08/03/2023	(1)	EUR	(132,930)	8,620	0.79
Euro-Schatz, 08/03/2023	(2)	EUR	(210,840)	2,284	0.21
<b>Total Unrealised Gain on Financial Futures Contracts</b>				<b>25,209</b>	<b>2.31</b>
<b>Net Unrealised Gain on Financial Futures Contracts</b>				<b>25,209</b>	<b>2.31</b>



## Schedule of Investments (continued)

### Robeco Financial Institutions Bonds Feeder Fund – zero duration As at 31 December 2022

#### Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	2,124	USD	2,243	09/01/2023	Barclays	24	–
EUR	12,337	USD	13,005	09/01/2023	HSBC	156	0.02
EUR	750	USD	798	09/01/2023	J.P. Morgan	2	–
EUR	11,505	USD	12,047	11/01/2023	HSBC	223	0.02
<b>Total Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>405</b>	<b>0.04</b>
USD	308,757	EUR	295,209	09/01/2023	Barclays	(6,030)	(0.55)
USD	2,845	EUR	2,701	09/01/2023	BNP Paribas	(37)	(0.01)
USD	1,588	EUR	1,498	09/01/2023	HSBC	(10)	–
USD	1,402	EUR	1,318	09/01/2023	J.P. Morgan	(5)	–
<b>Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(6,082)</b>	<b>(0.56)</b>
<b>Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(5,677)</b>	<b>(0.52)</b>



## Schedule of Investments (continued)

### Robeco Global Credits Feeder Fund – zero duration As at 31 December 2022

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Units of authorised UCITS or other collective investment undertakings				
Collective Investment Schemes - UCITS				
<i>Luxembourg</i>				
Robeco Global Credits - Z2H EUR <sup>†</sup>	EUR	4,737,674	474,375,730	94.04
			474,375,730	94.04
Total Collective Investment Schemes - UCITS			474,375,730	94.04
Total Units of authorised UCITS or other collective investment undertakings			474,375,730	94.04
<b>Total Investments</b>			<b>474,375,730</b>	<b>94.04</b>
<b>Cash</b>			<b>22,548,764</b>	<b>4.47</b>
<b>Other assets/(liabilities)</b>			<b>7,489,896</b>	<b>1.49</b>
<b>Total net assets</b>			<b>504,414,390</b>	<b>100.00</b>

<sup>†</sup>Related Party Fund.

### Robeco Global Credits Feeder Fund - zero duration As at 31 December 2022

#### Financial Futures Contracts

Security Description	Number of Contracts	Currency	Global Exposure EUR	Unrealised Gain/(Loss) EUR	% of Net Assets
US 2 Year Note, 31/03/2023	281	USD	53,975,171	60,067	0.01
US 5 Year Note, 31/03/2023	(906)	USD	(91,536,456)	216,673	0.04
US 10 Year Note, 22/03/2023	(199)	USD	(20,909,801)	162,797	0.03
US 10 Year Ultra Bond, 22/03/2023	(149)	USD	(16,458,846)	208,457	0.04
Canada 10 Year Bond, 22/03/2023	(127)	CAD	(10,762,858)	256,447	0.05
Euro-Bobl, 08/03/2023	(429)	EUR	(49,656,750)	1,548,407	0.31
Euro-Bund, 08/03/2023	(30)	EUR	(3,987,900)	261,120	0.05
Euro-Buxl 30 Year Bond, 08/03/2023	(12)	EUR	(1,622,880)	324,960	0.07
Long Gilt, 29/03/2023	(55)	GBP	(6,192,864)	337,459	0.07
US Long Bond, 22/03/2023	(206)	USD	(24,067,112)	506,414	0.10
US Ultra Bond, 22/03/2023	(76)	USD	(9,508,902)	314,739	0.06
<b>Total Unrealised Gain on Financial Futures Contracts</b>				<b>4,197,540</b>	<b>0.83</b>
Euro-Schatz, 08/03/2023	453	EUR	47,755,260	(518,323)	(0.10)
<b>Total Unrealised Loss on Financial Futures Contracts</b>				<b>(518,323)</b>	<b>(0.10)</b>
<b>Net Unrealised Gain on Financial Futures Contracts</b>				<b>3,679,217</b>	<b>0.73</b>



## Schedule of Investments (continued)

### Robeco Global Credits Feeder Fund – zero duration As at 31 December 2022

#### Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR	% of Net Assets
EUR	2,111,268	GBP	1,821,860	11/01/2023	HSBC	58,578	0.01
EUR	5,028	USD	5,298	09/01/2023	HSBC	66	–
EUR	4,089,954	USD	4,359,300	11/01/2023	Barclays	7,671	–
EUR	3,878,618	USD	4,100,000	11/01/2023	Citibank	39,157	0.01
EUR	14,791,827	USD	15,588,969	11/01/2023	HSBC	193,478	0.04
USD	2,119,870	EUR	1,984,607	11/01/2023	BNP Paribas	553	–
<b>Total Unrealised Gain on Forward Currency Exchange Contracts - Assets</b>						<b>299,503</b>	<b>0.06</b>
GBP	437,393,888	EUR	508,863,810	09/01/2023	Barclays	(16,008,637)	(3.18)
GBP	7,313,657	EUR	8,506,835	09/01/2023	HSBC	(265,810)	(0.05)
GBP	2,445,715	EUR	2,845,995	09/01/2023	J.P. Morgan	(90,164)	(0.02)
USD	131,367	EUR	125,602	09/01/2023	Barclays	(2,566)	–
USD	722	EUR	683	09/01/2023	HSBC	(8)	–
USD	1,180,000	EUR	1,108,375	11/01/2023	Barclays	(3,359)	–
USD	4,008,880	EUR	3,799,571	11/01/2023	BNP Paribas	(45,440)	(0.01)
USD	1,040,000	EUR	976,849	11/01/2023	Citibank	(2,937)	–
USD	880,000	EUR	834,791	11/01/2023	HSBC	(10,711)	–
USD	2,840,000	EUR	2,672,136	11/01/2023	HSBC	(12,607)	–
USD	3,258,310	EUR	3,086,180	11/01/2023	J.P. Morgan	(34,923)	(0.01)
<b>Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(16,477,162)</b>	<b>(3.27)</b>
<b>Net Unrealised Loss on Forward Currency Exchange Contracts - Liabilities</b>						<b>(16,177,659)</b>	<b>(3.21)</b>

### Robeco Global Credits Feeder Fund – zero duration As at 31 December 2022

#### Interest Rate Swap Contracts

Nominal Amount	Currency	Counterparty	Security Description	Maturity Date	Market Value EUR	% of Net Assets
5,000,000	USD	Barclays	Pay fixed 1.199% Receive floating SOFR 1 day	06/01/2027	466,721	0.09
4,000,000	GBP	Barclays	Pay fixed 0.915% Receive floating SONIA 1 day	10/11/2026	520,553	0.10
3,500,000	USD	Barclays	Pay fixed 1.654% Receive floating LIBOR 3 month	20/07/2051	1,115,174	0.22
75,000,000	USD	Barclays	Pay fixed 3.39% Receive floating SOFR 1 day	13/09/2025	1,435,624	0.29
13,800,000	USD	Barclays	Pay fixed 2.628% Receive floating SOFR 1 day	21/04/2042	1,536,257	0.31
4,100,000	GBP	Barclays	Pay fixed 0.758% Receive floating SONIA 1 day	10/11/2041	1,761,884	0.35
33,000,000	USD	Barclays	Pay fixed 2.643% Receive floating SOFR 1 day	21/04/2032	2,268,798	0.45



## Schedule of Investments (continued)

### Robeco Global Credits Feeder Fund – zero duration

As at 31 December 2022

#### Interest Rate Swap Contracts (continued)

Nominal Amount	Currency	Counterparty	Security Description	Maturity Date	Market Value EUR	% of Net Assets
11,492,000 USD		Barclays	Pay fixed 1.604% Receive floating LIBOR 3 month	20/07/2041	3,150,091	0.62
24,000,000 USD		Barclays	Pay fixed 2.466% Receive floating SOFR 1 day	21/04/2052	3,187,538	0.63
50,000,000 EUR		Barclays	Pay fixed (0.388)% Receive floating EURIBOR 6 month	30/07/2025	4,484,823	0.89
23,500,000 EUR		Barclays	Pay fixed (0.024)% Receive floating EURIBOR 6 month	30/07/2030	5,028,431	1.00
<b>Total Market Value on Interest Rate Swap Contracts - Assets</b>					<b>24,955,894</b>	<b>4.95</b>
<b>Net Market Value on Interest Rate Swap Contracts - Assets</b>					<b>24,955,894</b>	<b>4.95</b>

### Robeco Global Credits Feeder Fund – zero duration

As at 31 December 2022

#### Credit Default Swap Contracts

Nominal Amount	Currency	Counterparty	Reference Entity	Buy/Sell	Interest (Paid)/ Received Rate	Maturity Date	Market Value EUR	% of Net Assets
8,600,000 USD		Citigroup	CDX.NA.HY.39-V1	Sell	5.00%	20/12/2027	46,931	0.01
2,300,000 USD		Citigroup	CDX.NA.IG.39-V1	Sell	1.00%	20/12/2027	17,176	–
7,500,000 EUR		Citigroup	ITRAXX.EUROPE.CROSSOVER.38-V1	Sell	5.00%	20/12/2027	74,862	0.02
15,000,000 EUR		Citigroup	ITRAXX.EUROPE.MAIN.38-V1	Sell	1.00%	20/12/2027	64,374	0.01
<b>Total Market Value on Credit Default Swap Contracts - Assets</b>							<b>203,343</b>	<b>0.04</b>
<b>Net Market Value on Credit Default Swap Contracts - Assets</b>							<b>203,343</b>	<b>0.04</b>



## Other data (unaudited)

### Savings directive information

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

### Stock-exchange listing

All the Robeco (LU) Funds III share-classes D and D2 are listed on the Luxembourg Stock Exchange.

### Global exposure

The table below presents an overview of the method used to calculate the global exposure and the highest, lowest and average level of leverage during the period of 1 January 2022 through 31 December 2022.

Sub-fund	Method used to calculate the global exposure	Expected level of leverage	Lowest level of leverage	Highest level of leverage	Average level of leverage	Lowest level of VaR	Highest level of VaR	Average level of VaR
Robeco QI Long/Short Dynamic Duration	Absolute VaR	100%	29%	104%	50%	0%	3%	2%
Robeco High Yield Bonds Feeder Fund – zero duration	Relative VaR	250%	87%	122%	110%	48%	75%	64%
Robeco Financial Institutions Bonds Feeder Fund – zero duration	Relative VaR	250%	58%	91%	68%	49%	132%	81%
Robeco Global Credits Feeder Fund – zero duration	Relative VaR	350%	88%	129%	108%	24%	41%	32%
Robeco European High Yield Bonds Feeder Fund –zero duration <sup>1</sup>	Relative VaR	250%	83%	160%	110%	1%	188%	84%

The VaR is calculated on a daily basis, in accordance with UCITS regulation (99% confidence interval).

<sup>1</sup>The sub-fund has been liquidated on 15 November 2022. The fund covers the financial period 1 January 2020 until 15 November 2022.



## Other data (unaudited) (continued)

### Remuneration policy and remuneration paid

The fund itself does not employ any personnel and is managed by Robeco Institutional Asset Management B.V. ('RIAM'). The remuneration for persons working for RIAM comes out of the management fee.

#### Remuneration policy

RIAM's remuneration policy, which applies to all staff working under its responsibility, complies with the applicable requirements laid down in the European framework documents of the UCITS Directive and the ESMA guidelines for a responsible remuneration policy under the UCITS Directive.

The remuneration policy of RIAM can be obtained free of charge at the offices of the Company.

This remuneration policy applies to all staff of RIAM, including individuals who may have a material impact on the risk profile of the fund. These persons are designated to be 'Identified Staff'.

#### Responsibility for and application of the policy

RIAM's Remuneration Policy is determined, applied and annually reviewed by and on behalf of RIAM with the approval of its shareholder, the (Board of) Robeco Holding B.V. For each review (the Board of) Robeco Holding B.V. shall obtain prior advice from the Supervisory Board of RIAM, which acts as its Supervisory Board. In the application and evaluation of the remuneration policy, RIAM occasionally makes use of the services of various external advisers.

#### Remuneration in 2022

The total remuneration granted for RIAM over the performance year 2022 is shown in the table below:

Total remuneration RIAM in EUR x 1		
Staff category	Fixed pay for 2022	Variable pay for 2022
Board of the management company (3 members)	1,725,610	2,125,000
Identified Staff (102) (ex Board)	19,406,389	15,003,448
Other employees (730 employees)	65,442,019	20,237,538

Of the total amounts granted in remuneration in 2022 to the Board Identified Staff and Other Employees, the following amounts are attributable to the fund:

Remuneration assigned to the fund in EUR x 1		
Staff category	Fixed pay for 2022	Variable pay for 2022
Board of the management company (3 members)	7,268	8,950
Identified Staff (102) (ex Board)	81,736	63,192
Other employees (730 employees)	275,629	85,237

The total of the fixed and variable remuneration attributable to the fund is EUR 522,012. Imputation occurs according to the following key:

$$\text{Total remuneration (fixed and variable) x } \frac{\text{Total fund assets}}{\text{Total assets under management (RIAM)}}$$

As mentioned above the remuneration, which comes out of the management fee, is paid by RIAM and is therefore not charged to the fund separately.

#### Remuneration Fund Board members

The Board believes that the remuneration of its members should reflect the responsibilities and experience of the Board as a whole and be fair and appropriate given the size, complexity and investment objectives of the Fund. The remuneration is reviewed on an annual basis. The Independent directors have been paid EUR 40,000 for the year ended 31 December 2022. No variable remuneration is paid to the independent directors. The other directors have agreed to waive their remuneration.



## Other data (unaudited) (continued)

### Additional information Securities Financing Transaction

#### Securities Financing Transactions

The fund engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions (SFTs) include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) and/or Total Return Swaps. In accordance with Article 13 of the Regulation, the funds involvement in and exposures related to SFTs and Total Return Swaps for the reporting date are detailed below.

#### Securities Lending

##### Global Data

##### Amount of securities on loan

The total value of securities on loan as a proportion of the Sub-Funds' total lendable assets as at the reporting date is detailed below. Total lendable assets represent the aggregate value of asset types forming part of the Sub-Funds' securities lending programme.

Sub-Fund	% of Total Lendable Assets
Robeco QI Long/Short Dynamic Duration	8.49%

##### Amount of assets engaged in each type of SFTs and Total Return Swaps

The following table represents the fair value of assets engaged in each type of SFTs (including Total Return Swaps) in the fund currency.

	Market value of Securities on Loan (in Sub-Fund Currency)	% of AUM
Robeco QI Long/Short Dynamic Duration	EUR	
Securities lending	4,999,550	7.80%

#### Concentration Data

##### Ten largest collateral issuers

The following table lists the ten largest issuers by value of non-cash collateral received by the Sub-Funds by way of title transfer collateral arrangement across securities lending transactions, reverse repurchase agreements and Over The Counter (OTC) derivatives transactions (including Total Return Swaps), as at the reporting date.

Issuer	Non-Cash Collateral
Robeco QI Long/Short Dynamic Duration	EUR
French Government	1,628,035
German Government	1,445,556
Belgian Government	541,578
Austrian Government	270,345
Japanese Government	222,506
Dutch Government	167,645
Finnish Government	14,463
UK Government	1,390



## Other data (unaudited) (continued)

### Additional information Securities Financing Transaction (continued)

#### Securities Lending (continued)

#### Concentration data (continued)

#### Top ten counterparties

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions), in respect of SFTs and Total Return Swaps, as at the reporting date.

Counterparty	Outstanding Transactions
<b>Robeco QI Long/Short Dynamic Duration</b>	<b>EUR</b>
<b>Securities lending</b>	
J.P. Morgan	1,964,118
BNP Paribas	1,191,749
Deutsche Bank	946,681
Goldman Sachs	403,027
Societe Generale	282,651
Nomura	211,324

#### Country in which counterparties are established

The following table provides details of the country of incorporation of counterparties across all SFTs and Total Return Swaps, as at the reporting date.

Counterparty	Country of Incorporation
BNP Paribas	France
Deutsche Bank	Germany
Goldman Sachs	United States of America
J.P. Morgan	United States of America
Nomura	Japan
Societe Generale	France

#### Aggregate transaction data

#### Type and quality of collateral

The following table provides an analysis of the type and quality of non-cash collateral received by the Sub-Funds in respect of SFTs and OTC derivative transactions (including Total Return Swaps), as at the reporting date.

#### Type of collateral received

<b>Robeco QI Long/Short Dynamic Duration</b>	<b>EUR</b>
<b>Securities lending</b>	
Bond	Investment Grade 4,291,518
	<b>4,291,518</b>



## Other data (unaudited) (continued)

### Additional information Securities Financing Transaction (continued)

#### Securities Lending (continued)

#### Aggregate transaction data (continued)

#### Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral received in relation to SFTs and OTC derivative transactions (including Total Return Swaps) as at the reporting date.

Maturity	Less than 1 day	1 to 7 days	1 to 4 weeks	1 to 3 months	3 to 12 months	More than 1 year	Open maturity	Total
<b>Robeco QI Long/Short Dynamic Duration</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Securities lending	861,691	466,094	616,191	423,736	569,168	2,216,329	–	5,153,209

#### Currency of collateral

The following table provides an analysis of the currency profile of collateral received in relation to SFTs and OTC derivative transactions (including Total Return Swaps) as at the reporting date in the currency of the Sub-Funds.

Received in Currency	Value in Sub-Fund currency
<b>Robeco QI Long/Short Dynamic Duration</b>	<b>EUR</b>
	<b>Securities lending</b>
EUR	4,291,518
USD	861,691
	<b>5,153,209</b>

#### Maturity tenor of securities lending transactions

All securities on loan can be recalled at any point. The Fund's securities lending transactions have open maturity.

#### Settlement and clearing

The Company's securities lending transactions, including related collateral, are settled and cleared on a tri-party basis.

#### Re-use of collateral

Non cash collateral, received in a securities lending transaction may not be sold, re-invested or pledged. Cash collateral received from such transactions is re-used in a reverse repurchase transaction.

#### Safekeeping of collateral

#### Collateral received

J.P. Morgan SE (previously named J.P. Morgan Bank Luxembourg S.A.) as securities lending agent of the Fund, is responsible for the safekeeping of the collateral received in respect of securities lending transactions as at the reporting date. The Custodian J.P. Morgan SE (previously named J.P. Morgan Bank Luxembourg S.A.) is ultimately liable for any loss of instruments held in custody or by a third party to whom custody had been delegated (the sub-custody).

#### Collateral granted

No collateral is granted by the Company as part of their securities lending activities.

#### Return and cost

The total income earned from securities lending transactions is split between the fund and the securities lending agent. Details of this split are disclosed in notes to the financial statements on page 24. Income earned during the period by the Fund from securities lending transactions is disclosed in the statement of operations and changes in net assets from pages 15 to 16.



# Sustainability disclosures (unaudited)

## ANNEX IV

### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Robeco (LU) Funds III - Robeco QI Long/Short Dynamic Duration  
**Legal entity identifier:** 213800QXP1AG42APWP21

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** \_\_\_\_%

☒ ☐ **No**

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 51.2% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promotes the following Environmental and Social characteristics:

1. The sub-fund's portfolio complied with Robeco's Exclusion Policy that is based on exclusion criteria that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. Robeco deems investing in government bonds (federal or local) of countries where serious violations of human rights or a collapse of the governance structure take place as unsustainable. In addition, Robeco will follow applicable sanctions of the UN, EU or US to which it is subject and follows any mandatory (investment) restrictions deriving therefrom. This means that the Sub-fund has no exposure to excluded securities, taking into account a grace period.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## Sustainability disclosures (unaudited)

2. The sub-fund's portfolio complied with Robeco's Exclusion Policy excluding investments in companies that are exposed to controversial behavior and controversial products. This means that the Sub-fund had no exposure to excluded securities, taking into account a grace period.
3. The sub-fund scrutinized investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies in the portfolio that have breached one of the international guidelines during the investment period, have become part of the Enhanced Engagement program. When engagement deemed highly unlikely to succeed, the company was excluded directly.
4. Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. The sub-fund was limited to a maximum exposure of 3% to investments with an elevated sustainability risk, based on the market weight in the portfolio taking into account regional differences and benchmark. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis.
5. The sub-fund excluded sovereign bonds issued by the bottom 15% of the WGI Control of Corruption ranking.
6. The sub-fund's portfolio had a minimum weighted average score of at least 6 on Robeco's Country Sustainability Ranking.

### ● ***How did the sustainability indicators perform?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product performed as follows. All values are based on the positions and available data as at 31 December 2022.

1. The portfolio contained on average 0.00% investments that are on the Exclusion list as result of the application of the applicable exclusion policy. Unless sanctions stipulate specific timelines, exclusions apply within three months after the announcement. If selling is not possible for liquidity reasons, then buying is not allowed. Once selling is possible at a reasonable price, holdings will be sold.
2. The portfolio contained on average 0.00% investments that are on the Exclusion list as result of the application of the applicable exclusion policy. Unless sanctions stipulate specific timelines, exclusions apply within three months after the announcement. If selling is not possible for liquidity reasons, then buying is not allowed. Once selling is possible at a reasonable price, holdings will be sold.
3. 0 companies in portfolio are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of the Enhanced Engagement program.
4. 0.00% of the holdings in portfolio had an elevated sustainability risk profile.
5. The Sub-fund excluded sovereign bonds issued by the bottom 15% of the WGI Control of Corruption ranking.
6. The sub-fund's portfolio had a minimum weighted average score of 7.97 on Robeco's Country Sustainability Ranking.

### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Robeco uses its proprietary SDG framework to determine if an investment qualifies as sustainable investment. Robeco's SDG Framework is a tool that systematically assesses



## Sustainability disclosures (unaudited)

individual companies on key SDG targets and sector-specific indicators which help analysts determine a company's SDG contributions. These contributions aggregate into an overall SDG company score. The resulting scores are used to help construct portfolios that pursue positive impact, avoid negative impact, and support sustainable progress in the economy, society and the natural environment. Positive scores imply that the investment do not significant harm any of the UN Sustainable Development goals.

The sustainable investments contributed to any or more of the UN Sustainable Development Goals, which include both social and environmental objectives. Robeco used its proprietary SDG Framework to assess which investments constitute a sustainable investment as referred to in art 2(17) SFDR. Under the SDG Framework, "SDG scores" are calculated for each investment. Investments having positive SDG scores (+1, +2, +3) are deemed to contribute to the UN SDGs.

### ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact (PAI) are considered in the calculation of SDG scores under Robeco's proprietary SDG Framework. Violations with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact lead to a negative SDG score. Only investments with a positive SDG score can be classified as sustainable investment, indicating that such investments did no significant harm to any environmental or social sustainable investment objective. Minus scores show harm. Scores of -2 or -3 may even cause significant harm.

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The fund considered principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. For sustainable investments this meant ensuring that the investments do no significant harm to any environmental or social objective. Many PAI indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators.

The following PAIs were considered in the fund:

- PAI 1, table 1 was considered for scope 1, 2 and 3 Green House Gas emissions via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 2, table 1 was considered for scope 1 and 2 carbon footprint via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 3, table 1 was considered for scope 1 and 2 Green House Gas intensity of investee companies via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 4, table 1 regarding the exposure to companies in the fossil fuel sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Sustainability disclosures (unaudited)

- with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 5, table 1 regarding the share of energy consumption from non-renewable sources was considered via engagement and exclusions. Robeco is committed to contribute to the goals of the Paris Agreement and to achieving net zero carbon emissions by 2050. The portfolio decarbonization targets are derived from the P2 pathway from the IPCC 1.5-degree scenario of 2018. The P2 pathway is composed of the following emission milestones: 49% reduction of GHG emissions in 2030 and -89% reduction of GHG emissions in 2050, both relative to 2010 baseline.
  - PAI 6, table 1 regarding Energy consumption per High Impact Climate sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal (Coal power expansion plans  $\geq 300$  MW)).
  - PAI 7, table 1 regarding activities negatively affecting biodiversity sensitive areas was considered via engagement. Robeco is developing methods to evaluate the materiality of biodiversity for our portfolios, and the impact of our portfolios on biodiversity. Based on such methods Robeco will set quantified targets in order to combat biodiversity loss, latest by 2024.
  - For relevant sectors, biodiversity impact is considered in fundamental SI research analysis. Robeco is developing a framework to consider this across all investments.
  - PAI 8, table 1 regarding Water emissions was considered via engagement. Within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to water. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
  - PAI 9, table 1 regarding hazardous waste and radioactive waste ratio was considered via engagement. In addition, within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to waste. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
  - PAI 10, table 1 regarding violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises was considered via engagement and exclusions. Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and is guided by these international standards to assess the behavior of companies. In order to mitigate severe breaches, an enhanced engagement process is applied where Robeco deems a severe breach of these principles and guidelines has occurred. If this enhanced engagement, which may last up to a period of three years, does not lead to the desired change, Robeco will exclude a company from its investment universe.
  - PAI 14, table 1 regarding exposure to controversial weapons was considered via exclusions. For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons that are tailor made and essential, to be controversial weapons. Exclusion is applied to companies that are manufacturers of certain products that do not comply with the following treaties or legal bans on controversial weapons: 1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines. 2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions. 3. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons. 4. Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons. 5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear Weapons States (USA, Russia, UK, France and China). 6. The Dutch act on Financial Supervision 'Besluit



## Sustainability disclosures (unaudited)

marktmisbruik' art. 21 a. 7. The Belgian Loi Mahoux, the ban on uranium weapons. 8. Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework. Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. Robeco continuously screens its investments for breaches of these principles. In the reported year, there have been no breaches.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **How did this financial product consider principal adverse impacts on sustainability factors?**

PAI were considered both pre-investment (through exclusions and through integration in the investment due diligence) and post-investments (through engagement). All values are based on the average positions over the reporting period.

Pre-investment, the following principal adverse impacts on sustainability factors were considered:

- Via the applied normative and activity-based exclusions, the following PAIs were considered:
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) was 0% of the net assets, compared to 0% of the benchmark



## Sustainability disclosures (unaudited)

- Exposure to companies in violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) was 0% of the net assets, compared to 0% of the benchmark
- Exposure to companies exploiting activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1) was 0% of the net assets, compared to 0% of the benchmark. The consideration of this PAI is currently restricted to applying exclusions to palm oil producing companies and for any breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity.
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1) was 0% of the net assets, compared to 0% of the benchmark

Post-investment, the following principal adverse impacts on sustainability factors were taken into account:

- o Via Robeco's entity engagement program, the following PAIs were considered:
  - At year end 2 companies in portfolio were subject to the Robeco Entity Engagement program.
  - All indicators related to Climate and other environment-related indicators (PAI 1-13, Table 1)
  - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
  - In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of The Sub-fund that cause adverse impact might be selected for engagement.
- o As part of Country Sustainability ranking, used for The Fundamental analysis of bonds, the following PAIs were considered:
  - Table 1, PAI 15: The Green House Gas intensity (scope 1 and 2) of the sub-fund was 0% better than the benchmark.
  - Table 1, PAI 16: 0% of the assets was invested in countries subject to social violations.
  - Post-investment, the following principal adverse impacts on sustainability factors were taken into account:
    - Table 1, PAI 15: The Green House Gas intensity (scope 1 and 2) of the sub-fund was 0% better than the benchmark.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2022 through 31 December 2022

Largest investments	Sector	% Assets	Country
(FRN) LAND BADEN-WUERTTEMBERG 19-FEB-2024	Local Authorities	3.23	Germany
(FRN) LAND BRANDENBURG 29-NOV-2023	Local Authorities	3.22	Germany
(FRN) LAND BERLIN 09-OCT-2023	Local Authorities	3.22	Germany
(FRN) NRW.BANK 26-JAN-2023	Local Authorities	3.21	Germany
(FRN) LAND SCHLESWIG-HOLSTEIN 12-MAY-2023	Local Authorities	3.20	Germany
(FRN) KFW 21-NOV-2022	Government Guarantee	2.80	Germany
0.125 CAISSE CENT CREDIT IMMOB 26-OCT-2022	Government Guarantee	2.78	France
2.375 ABN AMRO BANK NV 23-JAN-2024	Mortgage Assets	2.45	Netherlands
(FRN) EUROPEAN INVESTMENT BANK 23-JAN-2023	Supranational	2.43	European Union
0.000 EURO STABILITY MECHANISM 18-OCT-2022	Supranational	2.42	European Union
0.375 BPCE SFH - SOCIETE DE FI 10-FEB-2023	Mortgage Assets	2.40	France
0.250 CIE FINANCEMENT FONCIER 11-APR-2023	Mortgage Assets	2.30	France
2.250 PROVINCE OF QUEBEC 17-JUL-2023	Local Authorities	2.29	Canada
0.250 KOMMUNEKREDIT 29-MAR-2023	Local Authorities	2.23	Denmark
0.250 ROYAL BANK OF CANADA 29-JAN-2024	Mortgage Assets	2.04	Canada



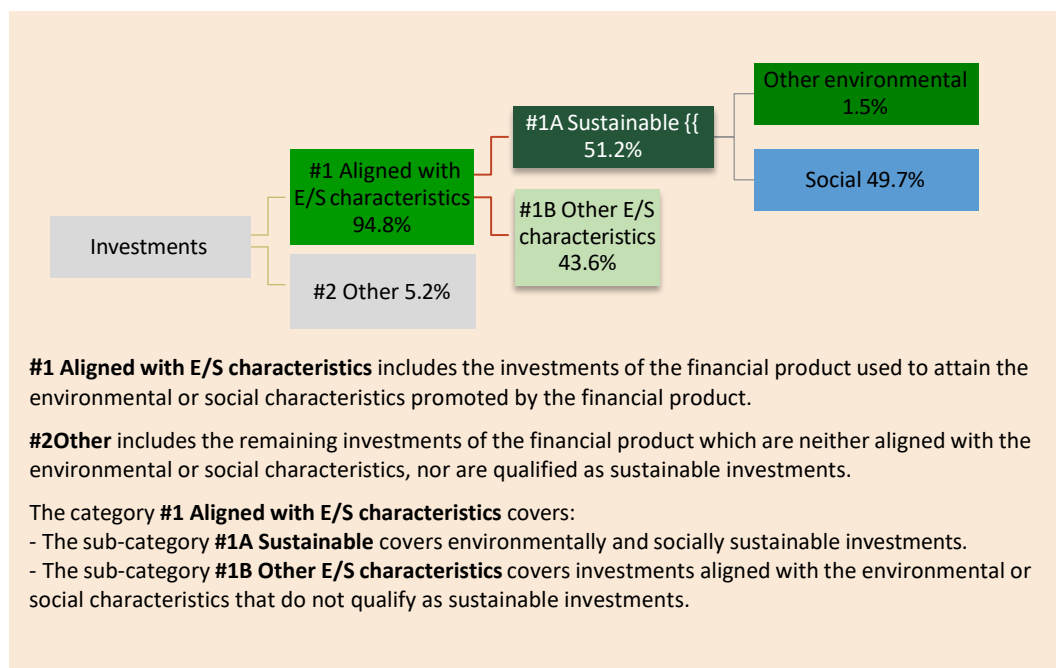
# Sustainability disclosures (unaudited)

## What was the proportion of sustainability-related investments?

94.8%

### What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



### In which economic sectors were the investments made?

#### GICS Sector Level 3

#### Average exposure in % over the reporting period

Sectors deriving revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels -

Not applicable	0.00
<b>Other sectors</b>	
Mortgage Assets	26.90
Local Authorities	21.84
Government Guarantee	13.92
Supranational	11.53
Treasuries	10.66
Owned No Guarantee	9.81
Sovereign	1.17
Public Sector Loans	1.17
Cash and other instruments	2.98



# Sustainability disclosures (unaudited)

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy 1?**

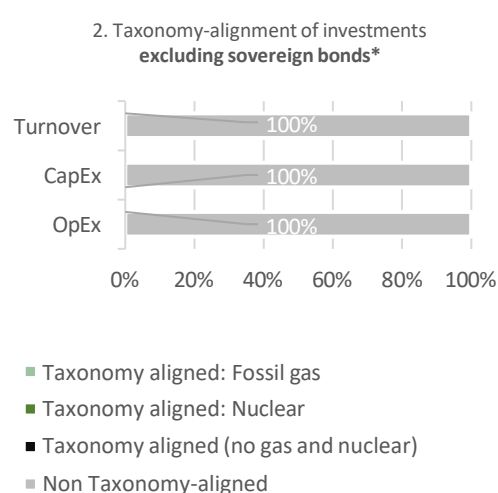
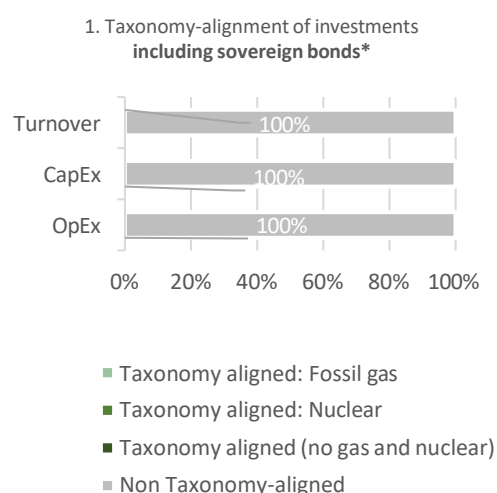
Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



This graph represents 77 % of the total investments.

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



# Sustainability disclosures (unaudited)

0%.



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

1.5%. This concerns investments with a positive score on one of more of the following SDG's, without harming other SDG's: SDG 12 (responsible consumption and production), 13 (climate action), 14 (life below water) or 15 (life on land).



## What was the share of socially sustainable investments?

49.7%. This concerns investments with a positive score on one of more of the following SDGs, without harming other SDGs: SDG 1 (No poverty), 2 (zero hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities), 16 (peace, justice and strong institutions) or 17 (partnerships for the goals).



## What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Amongst others, the use of cash, cash equivalents and derivatives is included under "Other". The fund may make use of derivatives for hedging, liquidity and efficient portfolio management as well as investment purposes (in line with the investment policy). Any derivatives in the fund were not used to attain environmental or social characteristics promoted by the financial product.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reporting period, the overall sustainability profile of the sub-fund was improved further by focusing on material information with regards to Environmental, Social and Governance factors.

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



# Sustainability disclosures (unaudited)

## ANNEX IV

### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:** Robeco (LU) Funds III - Robeco High Yield Bonds Feeder Fund - zero duration  
**Legal entity identifier:** 213800O8ZDKJ53LY9H68

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** \_\_\_\_%

☒ ☐ **No**

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 54.3% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promotes the following Environmental and Social characteristics:

1. The sub-fund's portfolio complied with Robeco's Exclusion Policy excluding investments in companies that are exposed to controversial behavior and controversial products. This means that the Sub-fund had no exposure to excluded securities, taking into account a grace period.
2. The sub-fund scrutinized investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies in the portfolio that have breached one of the international guidelines during the investment period, have become part of the Enhanced Engagement program. When engagement deemed highly unlikely to succeed, the company was excluded directly.



## Sustainability disclosures (unaudited)

- Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. The sub-fund was limited to a maximum exposure of 10% to investments with an elevated sustainability risk, based on the market weight in the portfolio taking into account regional differences and benchmark. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis.
- The sub-fund invested a minimum of 2% in green, social, sustainable, and/or sustainability-linked bonds.

### ● ***How did the sustainability indicators perform?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product performed as follows. All values are based on the positions and available data as at 31 December 2022.

- The portfolio contained on average 0.00% investments that are on the Exclusion list as result of the application of the applicable exclusion policy. Unless sanctions stipulate specific timelines, exclusions apply within three months after the announcement. If selling is not possible for liquidity reasons, then buying is not allowed. Once selling is possible at a reasonable price, holdings will be sold.
- 0 companies in portfolio are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of the Enhanced Engagement program.
- 4.88% of the holdings in portfolio had an elevated sustainability risk profile.
- The sub-fund invested 4.54% of its assets in green, social, sustainable and/or sustainability-linked bonds.

### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Robeco uses its proprietary SDG framework to determine if an investment qualifies as sustainable investment. Robeco's SDG Framework is a tool that systematically assesses individual companies on key SDG targets and sector-specific indicators which help analysts determine a company's SDG contributions. These contributions aggregate into an overall SDG company score. The resulting scores are used to help construct portfolios that pursue positive impact, avoid negative impact, and support sustainable progress in the economy, society and the natural environment. Positive scores imply that the investment does not significantly harm any of the UN Sustainable Development goals.

The sustainable investments contributed to any or more of the UN Sustainable Development Goals, which include both social and environmental objectives. Robeco used its proprietary SDG Framework to assess which investments constitute a sustainable investment as referred to in art 2(17) SFDR. Under the SDG Framework, "SDG scores" are calculated for each investment. Investments having positive SDG scores (+1, +2, +3) are deemed to contribute to the UN SDGs.



# Sustainability disclosures (unaudited)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

Alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact (PAI) are considered in the calculation of SDG scores under Robeco's proprietary SDG Framework. Violations with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact lead to a negative SDG score. Only investments with a positive SDG score can be classified as sustainable investment, indicating that such investments did no significant harm to any environmental or social sustainable investment objective. Minus scores show harm. Scores of -2 or -3 may even cause significant harm.

## *How were the indicators for adverse impacts on sustainability factors taken into account?*

The fund considered principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. For sustainable investments this meant ensuring that the investments do no significant harm to any environmental or social objective. Many PAI indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators.

The following PAIs were considered in the fund:

- PAI 1, table 1 was considered for scope 1, 2 and 3 Green House Gas emissions via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 2, table 1 was considered for scope 1 and 2 carbon footprint via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 3, table 1 was considered for scope 1 and 2 Green House Gas intensity of investee companies via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 4, table 1 regarding the exposure to companies in the fossil fuel sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 5, table 1 regarding the share of energy consumption from non-renewable sources was considered via engagement and exclusions. Robeco is committed to contribute to the goals of the Paris Agreement and to achieving net zero carbon emissions by 2050. The portfolio decarbonization targets are derived from the P2 pathway from the IPCC 1.5-degree scenario of 2018. The P2 pathway is composed of the following emission milestones: 49% reduction of GHG emissions in 2030 and -89% reduction of GHG emissions in 2050, both relative to 2010 baseline.
- PAI 6, table 1 regarding Energy consumption per High Impact Climate sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal (Coal power expansion plans  $\geq 300$  MW)).



## Sustainability disclosures (unaudited)

- PAI 7, table 1 regarding activities negatively affecting biodiversity sensitive areas was considered via engagement. Robeco is developing methods to evaluate the materiality of biodiversity for our portfolios, and the impact of our portfolios on biodiversity. Based on such methods Robeco will set quantified targets in order to combat biodiversity loss, latest by 2024.
- For relevant sectors, biodiversity impact is considered in fundamental SI research analysis. Robeco is developing a framework to consider this across all investments.
- PAI 8, table 1 regarding Water emissions was considered via engagement. Within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to water. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 9, table 1 regarding hazardous waste and radioactive waste ratio was considered via engagement. In addition, within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to waste. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 10, table 1 regarding violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises was considered via engagement and exclusions. Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and is guided by these international standards to assess the behavior of companies. In order to mitigate severe breaches, an enhanced engagement process is applied where Robeco deems a severe breach of these principles and guidelines has occurred. If this enhanced engagement, which may last up to a period of three years, does not lead to the desired change, Robeco will exclude a company from its investment universe.
- PAI 14, table 1 regarding exposure to controversial weapons was considered via exclusions. For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons that are tailor made and essential, to be controversial weapons. Exclusion is applied to companies that are manufacturers of certain products that do not comply with the following treaties or legal bans on controversial weapons: 1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines. 2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions. 3. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons. 4. Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons. 5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear Weapons States (USA, Russia, UK, France and China). 6. The Dutch act on Financial Supervision 'Besluit marktmisbruik' art. 21 a. 7. The Belgian Loi Mahoux, the ban on uranium weapons. 8. Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.
- PAI 4, table 2 regarding investments in companies without carbon emission reduction initiatives was considered via engagement. Robeco engages with key high emitters in our investment portfolios via the engagement themes "Acceleration to Paris" and "Net Zero Carbon Emissions".

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:



## Sustainability disclosures (unaudited)

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework. Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. Robeco continuously screens its investments for breaches of these principles. In the reported year, there have been no breaches.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

PAI were considered both pre-investment (through exclusions and through integration in the investment due diligence) and post-investments (through engagement). All values are based on the average positions over the reporting period.

Pre-investment, the following principal adverse impacts on sustainability factors were considered:

- o Via the applied normative and activity-based exclusions, the following PAIs were considered:
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) was 10.47% of the net assets, compared to 0% of the benchmark
  - Exposure to companies in violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) was 0% of the net assets, compared to 0% of the benchmark
  - Exposure to companies exploiting activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1) was 1.61% of the net assets, compared to 0% of the benchmark. The consideration of this PAI is currently restricted to applying exclusions to palm oil producing companies and for any breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity.



## Sustainability disclosures (unaudited)

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1) was 0.31% of the net assets, compared to 0.27% of the benchmark
- o Via the ESG integration process, as part of the investment due diligence policies and procedures, the following PAIs were considered:
  - All indicators related to GHG emissions, as part of the required Climate Risk analysis (PAI 1-6, Table 1, PAI 4, Table 2)
  - Biodiversity, water and waste indicators (PAI 7-9, Table 1) when relevant for the sector

Post-investment, the following principal adverse impacts on sustainability factors were taken into account:

- o Via Robeco's entity engagement program, the following PAIs were considered:
  - At year end 7 companies in portfolio were subject to the Robeco Entity Engagement program. Via the Robeco Entity Engagement program, the following numbers of engagement cases per PAI were active on portfolio holdings, during the reporting period: PAI 8, table 1: Emissions to water 2 cases. PAI 9, table 1: Hazardous waste and radioactive waste ratio 2 cases. PAI 12, table 1: Unadjusted gender pay gap 1 case.
  - All indicators related to Climate and other environment-related indicators (PAI 1-13, Table 1)
  - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
  - In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of The Sub-fund that cause adverse impact might be selected for engagement.



### What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2022 through 31 December 2022

Largest investments	Sector	% Assets	Country
4.750 CCO HLDGS LLC/CAP CORP 01-MAR-2030	Communications	0.81	United States
7.125 SPRINT LLC 15-JUN-2024	Communications	0.81	United States
3.875 CANPACK SA/CANPACK US 15-NOV-2029	Capital Goods	0.66	Poland
2.000 ZF EUROPE FINANCE BV 23-FEB-2026	Consumer Cyclical	0.59	Germany
5.500 XEROX HOLDINGS CORP 15-AUG-2028	Technology	0.56	United States
4.000 PACTIV EVERGREEN GROUP 15-OCT-2027	Capital Goods	0.56	United States
6.875 SPRINT CAPITAL CORP 15-NOV-2028	Communications	0.55	United States
5.125 CCO HLDGS LLC/CAP CORP 01-MAY-2027	Communications	0.54	United States
5.625 DEUTSCHE BANK AG 19-MAY-2031	Banking	0.54	Germany
2.375 FAURECIA 15-JUN-2027	Consumer Cyclical	0.53	France
5.250 B&G FOODS INC 15-SEP-2027	Consumer Non Cyclical	0.53	United States
5.500 MERCER INTL INC 15-JAN-2026	Basic Industry	0.53	Germany
4.250 LEVEL 3 FINANCING INC 01-JUL-2028	Communications	0.51	United States
4.875 GOODYEAR TIRE & RUBBER 15-MAR-2027	Consumer Cyclical	0.50	United States
7.000 SYLVAMO CORP 01-SEP-2029	Basic Industry	0.50	United States

### What was the proportion of sustainability-related investments?

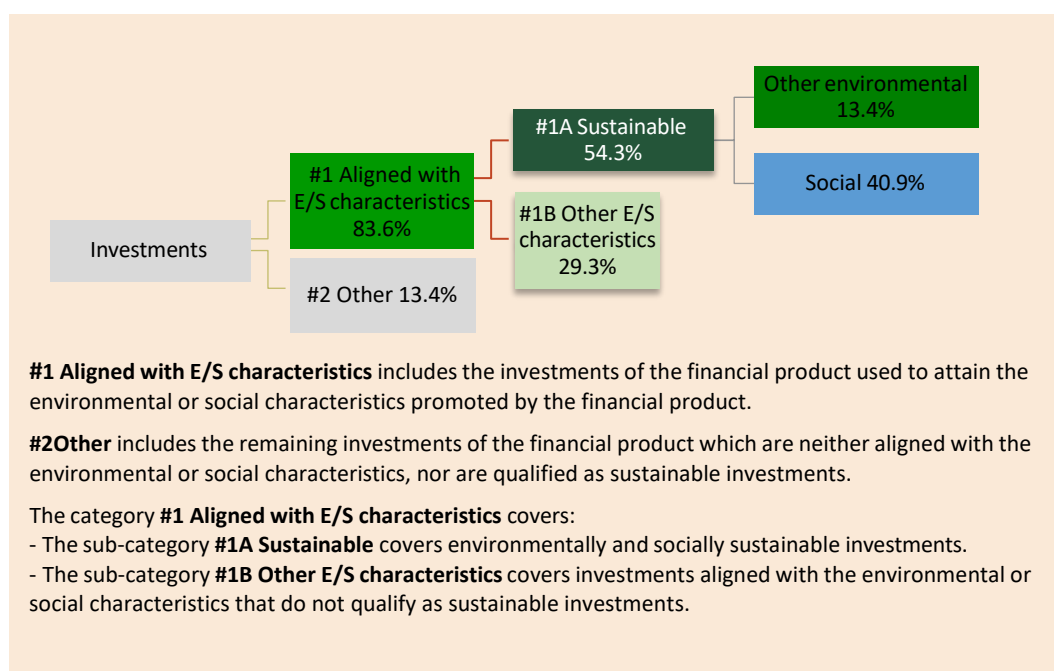
83.6%



# Sustainability disclosures (unaudited)

## What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



## In which economic sectors were the investments made?

### GICS Sector Level 3

### Average exposure in % over the reporting period

Sectors deriving revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels -

Not applicable	0.00
<b>Other sectors</b>	
Capital Goods	14.98
Communications	14.58
Consumer Non Cyclical	11.96
Consumer Cyclical	11.92
Basic Industry	9.81
Energy	8.30
Technology	4.19
Banking	3.48
Transportation	1.48
Industrial Other	0.73
Financial Other	0.73
Owned No Guarantee	0.67
REITS	0.62
Electric	0.43
Not Classified	0.40
Non-Agency CMBS	0.39
Insurance	0.28
Whole Business	0.27
Utility Other	0.16
Cash and other instruments	14.60



# Sustainability disclosures (unaudited)



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy 1?

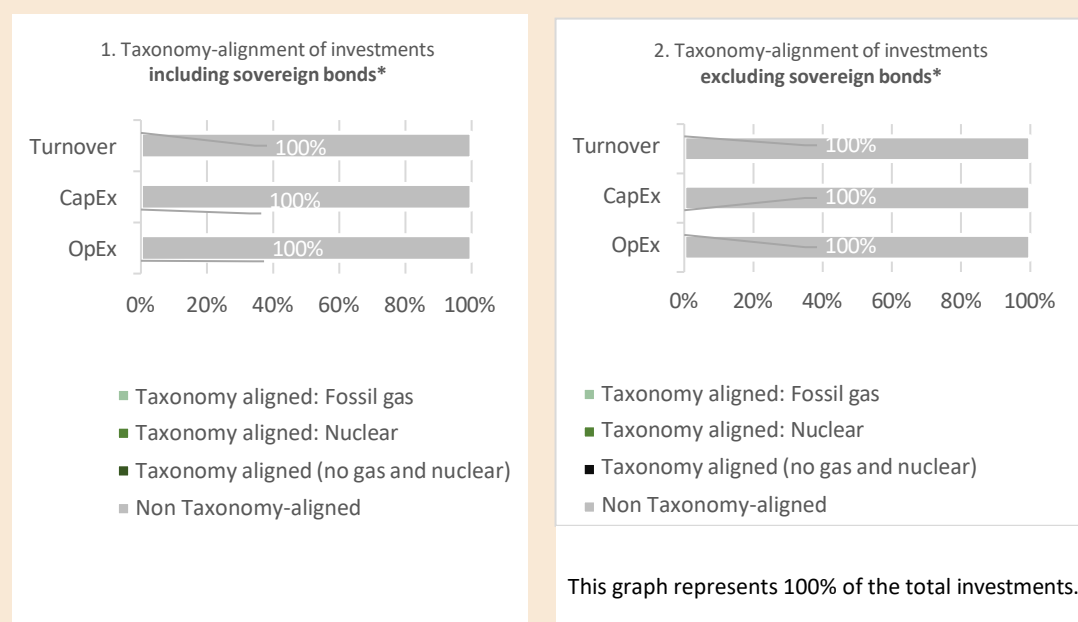
Yes:

In fossil gas

In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### What was the share of investments made in transitional and enabling activities?

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



# Sustainability disclosures (unaudited)

0%.



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

13.4%. This concerns investments with a positive score on one of more of the following SDG's, without harming other SDG's: SDG 12 (responsible consumption and production), 13 (climate action), 14 (life below water) or 15 (life on land).



## What was the share of socially sustainable investments?

40.9%. This concerns investments with a positive score on one of more of the following SDGs, without harming other SDGs: SDG 1 (No poverty), 2 (zero hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities), 16 (peace, justice and strong institutions) or 17 (partnerships for the goals).



## What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Amongst others, the use of cash, cash equivalents and derivatives is included under "Other". The fund may make use of derivatives for hedging, liquidity and efficient portfolio management as well as investment purposes (in line with the investment policy). Any derivatives in the fund were not used to attain environmental or social characteristics promoted by the financial product.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reporting period, the overall sustainability profile of the sub-fund was improved further by focusing on material information with regards to Environmental, Social and Governance factors. Furthermore, 7 holdings were under active engagement either within Robeco's thematic engagement programs or under more company-specific engagement topics related to Environmental, Social and/or Governance issues. In addition, 4.54% of the assets were invested in green bonds.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



# Sustainability disclosures (unaudited)

## ANNEX IV

### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** Robeco (LU) Funds III - Robeco Financial Institutions Bonds Feeder Fund - zero duration  
**Legal entity identifier:** 213800FTVCGHSPWMCJ62

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 78.2% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promotes the following Environmental and Social characteristics:

- The sub-fund's portfolio complied with Robeco's Exclusion Policy excluding investments in companies that are exposed to controversial behavior and controversial products. This means that the Sub-fund had no exposure to excluded securities, taking into account a grace period.
- The sub-fund scrutinized investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies in the portfolio that have breached one of the international guidelines during the investment period, have become part of the Enhanced Engagement program. When engagement deemed highly unlikely to succeed, the company was excluded directly.



## Sustainability disclosures (unaudited)

- Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. The sub-fund was limited to a maximum exposure of 3% to investments with an elevated sustainability risk, based on the market weight in the portfolio taking into account regional differences and benchmark. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis.
- The sub-fund invested a minimum of 5% in green, social, sustainable, and/or sustainability-linked bonds.

### ● ***How did the sustainability indicators perform?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product performed as follows. All values are based on the positions and available data as at 31 December 2022.

- The portfolio contained on average 0.00% investments that are on the Exclusion list as result of the application of the applicable exclusion policy. Unless sanctions stipulate specific timelines, exclusions apply within three months after the announcement. If selling is not possible for liquidity reasons, then buying is not allowed. Once selling is possible at a reasonable price, holdings will be sold.
- 0 companies in portfolio are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of the Enhanced Engagement program.
- 0.00% of the holdings in portfolio had an elevated sustainability risk profile.
- The sub-fund invested 6.12% of its assets in green, social, sustainable and/or sustainability-linked bonds.

### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Robeco uses its proprietary SDG framework to determine if an investment qualifies as sustainable investment. Robeco's SDG Framework is a tool that systematically assesses individual companies on key SDG targets and sector-specific indicators which help analysts determine a company's SDG contributions. These contributions aggregate into an overall SDG company score. The resulting scores are used to help construct portfolios that pursue positive impact, avoid negative impact, and support sustainable progress in the economy, society and the natural environment. Positive scores imply that the investment does not significantly harm any of the UN Sustainable Development goals.

The sustainable investments contributed to any or more of the UN Sustainable Development Goals, which include both social and environmental objectives. Robeco used its proprietary SDG Framework to assess which investments constitute a sustainable investment as referred to in art 2(17) SFDR. Under the SDG Framework, "SDG scores" are calculated for each investment. Investments having positive SDG scores (+1, +2, +3) are deemed to contribute to the UN SDGs.



# Sustainability disclosures (unaudited)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

Alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact (PAI) are considered in the calculation of SDG scores under Robeco's proprietary SDG Framework. Violations with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact lead to a negative SDG score. Only investments with a positive SDG score can be classified as sustainable investment, indicating that such investments did no significant harm to any environmental or social sustainable investment objective. Minus scores show harm. Scores of -2 or -3 may even cause significant harm.

## *How were the indicators for adverse impacts on sustainability factors taken into account?*

The fund considered principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. For sustainable investments this meant ensuring that the investments do no significant harm to any environmental or social objective. Many PAI indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators.

The following PAIs were considered in the fund:

- PAI 1, table 1 was considered for scope 1, 2 and 3 Green House Gas emissions via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 2, table 1 was considered for scope 1 and 2 carbon footprint via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 3, table 1 was considered for scope 1 and 2 Green House Gas intensity of investee companies via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 4, table 1 regarding the exposure to companies in the fossil fuel sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 5, table 1 regarding the share of energy consumption from non-renewable sources was considered via engagement and exclusions. Robeco is committed to contribute to the goals of the Paris Agreement and to achieving net zero carbon emissions by 2050. The portfolio decarbonization targets are derived from the P2 pathway from the IPCC 1.5-degree scenario of 2018. The P2 pathway is composed of the following emission milestones: 49% reduction of GHG emissions in 2030 and -89% reduction of GHG emissions in 2050, both relative to 2010 baseline.
- PAI 6, table 1 regarding Energy consumption per High Impact Climate sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal (Coal power expansion plans  $\geq 300$  MW)).



## Sustainability disclosures (unaudited)

- PAI 7, table 1 regarding activities negatively affecting biodiversity sensitive areas was considered via engagement. Robeco is developing methods to evaluate the materiality of biodiversity for our portfolios, and the impact of our portfolios on biodiversity. Based on such methods Robeco will set quantified targets in order to combat biodiversity loss, latest by 2024.
- For relevant sectors, biodiversity impact is considered in fundamental SI research analysis. Robeco is developing a framework to consider this across all investments.
- PAI 8, table 1 regarding Water emissions was considered via engagement. Within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to water. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 9, table 1 regarding hazardous waste and radioactive waste ratio was considered via engagement. In addition, within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to waste. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 10, table 1 regarding violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises was considered via engagement and exclusions. Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and is guided by these international standards to assess the behavior of companies. In order to mitigate severe breaches, an enhanced engagement process is applied where Robeco deems a severe breach of these principles and guidelines has occurred. If this enhanced engagement, which may last up to a period of three years, does not lead to the desired change, Robeco will exclude a company from its investment universe.
- PAI 14, table 1 regarding exposure to controversial weapons was considered via exclusions. For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons that are tailor made and essential, to be controversial weapons. Exclusion is applied to companies that are manufacturers of certain products that do not comply with the following treaties or legal bans on controversial weapons: 1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines. 2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions. 3. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons. 4. Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons. 5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear Weapons States (USA, Russia, UK, France and China). 6. The Dutch act on Financial Supervision 'Besluit marktmisbruik' art. 21 a. 7. The Belgian Loi Mahoux, the ban on uranium weapons. 8. Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.
- PAI 4, table 2 regarding investments in companies without carbon emission reduction initiatives was considered via engagement. Robeco engages with key high emitters in our investment portfolios via the engagement themes "Acceleration to Paris" and "Net Zero Carbon Emissions".

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:



## Sustainability disclosures (unaudited)

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework. Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. Robeco continuously screens its investments for breaches of these principles. In the reported year, there have been no breaches.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

PAI were considered both pre-investment (through exclusions and through integration in the investment due diligence) and post-investments (through engagement). All values are based on the average positions over the reporting period.

Pre-investment, the following principal adverse impacts on sustainability factors were considered:

- o Via the applied normative and activity-based exclusions, the following PAIs were considered:
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) was 0% of the net assets, compared to 0% of the benchmark
  - Exposure to companies in violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) was 0% of the net assets, compared to 0% of the benchmark
  - Exposure to companies exploiting activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1) was 0% of the net assets, compared to 0% of the benchmark. The consideration of this PAI is currently restricted to applying exclusions to palm oil producing companies and for any breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity.



## Sustainability disclosures (unaudited)

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1) was 0% of the net assets, compared to 0.08% of the benchmark
- o Via the ESG integration process, as part of the investment due diligence policies and procedures, the following PAIs were considered:
  - All indicators related to GHG emissions, as part of the required Climate Risk analysis (PAI 1-6, Table 1, PAI 4, Table 2)
  - Biodiversity, water and waste indicators (PAI 7-9, Table 1) when relevant for the sector

Post-investment, the following principal adverse impacts on sustainability factors were taken into account:

- o Via Robeco's entity engagement program, the following PAIs were considered:
  - At year end 7 companies in portfolio were subject to the Robeco Entity Engagement program. Via the Robeco Entity Engagement program, the following numbers of engagement cases per PAI were active on portfolio holdings, during the reporting period: PAI 10, table 1: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises 1 case. PAI 11, table 1: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises 1 case.
  - All indicators related to Climate and other environment-related indicators (PAI 1-13, Table 1)
  - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
  - In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of The Sub-fund that cause adverse impact might be selected for engagement.



### What were the top investments of this financial product?

#### Largest investments

	Sector	% Assets	Country
4.375 MAPFRE SA 31-MAR-2047	Insurance	1.85	Spain
4.032 BNP PARIBAS CARDIF (Perp)	Insurance	1.80	France
4.250 ACHMEA BV (Perp)	Insurance	1.77	Netherlands
4.375 ARGENTUM (SWISS LIFE) (Perp)	Insurance	1.56	Switzerland
3.375 ELM BV(HELVETIA SCHWEIZ) 29-SEP-2047	Insurance	1.50	Switzerland
3.375 SAMPO OYJ 23-MAY-2049	Insurance	1.49	Finland
4.250 CREDIT AGRICOLE ASSRNCES (Perp)	Insurance	1.39	France
4.500 CNP ASSURANCES 10-JUN-2047	Insurance	1.30	France
5.050 LA MONDIALE (Perp)	Insurance	1.30	France
1.000 SOCIETE GENERALE 24-NOV-2030	Banking	1.29	France
2.125 ING GROEP NV 26-MAY-2031	Banking	1.29	Netherlands
2.500 DANSKE BANK A/S 21-JUN-2029	Banking	1.27	Denmark
1.750 BPCE SA 02-FEB-2034	Banking	1.26	France
5.625 AEGON NV (Perp)	Insurance	1.25	Netherlands
1.500 RAIFFEISEN BANK INTL 12-MAR-2030	Banking	1.22	Austria

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2022 through 31 December 2022



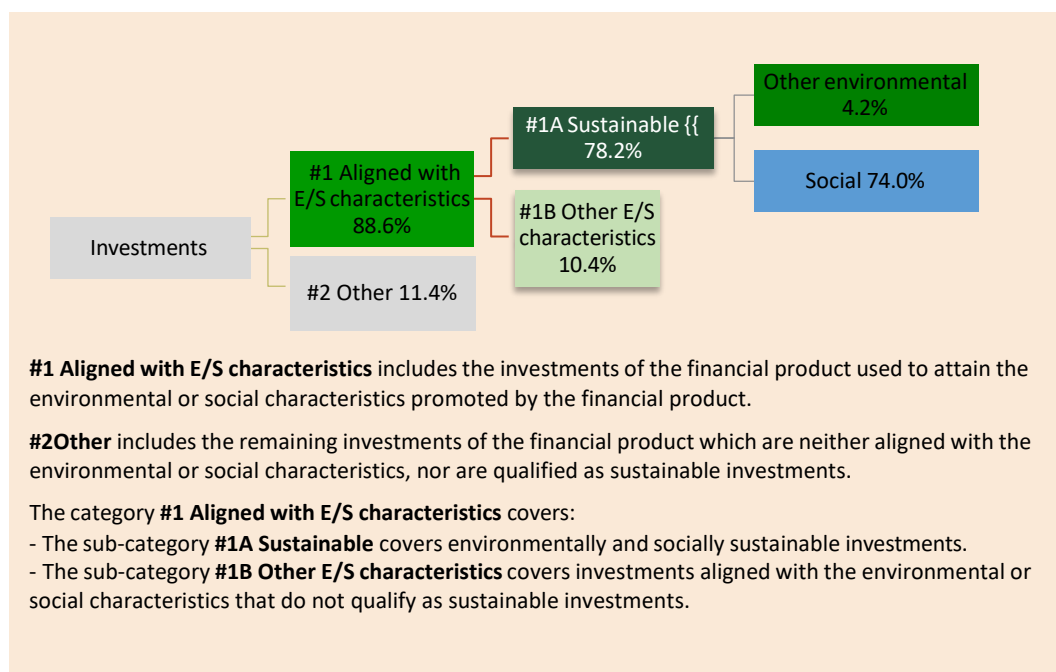
# Sustainability disclosures (unaudited)

## What was the proportion of sustainability-related investments?

88.6%

### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



### ● In which economic sectors were the investments made?

#### GICS Sector Level 3

#### Average exposure in % over the reporting period

**Sectors deriving revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels -**

Not applicable	0.00
<b>Other sectors</b>	
Banking	45.40
Insurance	39.63
Treasuries	4.13
Financial Other	0.73
Owned No Guarantee	0.05
Cash and other instruments	10.06



# Sustainability disclosures (unaudited)

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%.

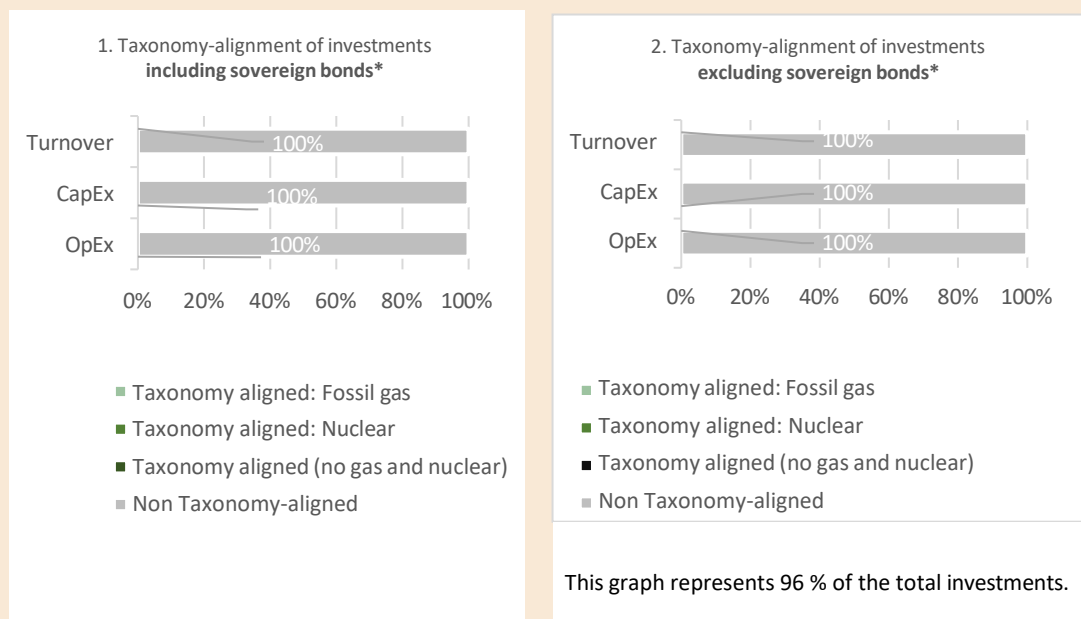
● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy 1?**

Yes:

In fossil gas In nuclear energy

✗ No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

0%.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



# Sustainability disclosures (unaudited)



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



## **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

4.2%. This concerns investments with a positive score on one of more of the following SDG's, without harming other SDG's: SDG 12 (responsible consumption and production), 13 (climate action), 14 (life below water) or 15 (life on land).



## **What was the share of socially sustainable investments?**

74.0%. This concerns investments with a positive score on one of more of the following SDGs, without harming other SDGs: SDG 1 (No poverty), 2 (zero hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities), 16 (peace justice and strong institutions) or 17 (partnerships for the goals).



## **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Amongst others, the use of cash, cash equivalents and derivatives is included under "#2 Other". The fund may make use of derivatives for hedging, liquidity and efficient portfolio management as well as investment purposes (in line with the investment policy). Any derivatives in the fund were not used to attain environmental or social characteristics promoted by the financial product.



## **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the reporting period, the overall sustainability profile of the sub-fund was improved further by focusing on material information with regards to Environmental, Social and Governance factors. Furthermore, 7 holdings were under active engagement either within Robeco's thematic engagement programs or under more company-specific engagement topics related to Environmental, Social and/or Governance issues. In addition, 6.12% of the assets were invested in green bonds.



# Sustainability disclosures (unaudited)

## ANNEX IV

### Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:** Robeco (LU) Funds III - Robeco Global Credits Feeder Fund - zero duration  
**Legal entity identifier:** 21380008LTOW32L6CQ15

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** \_\_\_\_%

☒ ☐ **No**

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 61.4% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund promotes the following Environmental and Social characteristics:

1. The sub-fund's portfolio complied with Robeco's Exclusion Policy excluding investments in companies that are exposed to controversial behavior and controversial products. This means that the Sub-fund had no exposure to excluded securities, taking into account a grace period.
2. The sub-fund scrutinized investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. Companies in the portfolio that have breached one of the international guidelines during the investment period, have become part of the Enhanced Engagement program. When engagement deemed highly unlikely to succeed, the company was excluded directly.



## Sustainability disclosures (unaudited)

- Investments with an elevated sustainability risk are defined by Robeco as companies with an ESG Risk Rating of 40 and higher. The sub-fund was limited to a maximum exposure of 3% to investments with an elevated sustainability risk, based on the market weight in the portfolio taking into account regional differences and benchmark. Each investment with an ESG Risk rating of higher than 40 requires separate approval by a dedicated committee of SI specialists, compliance and risk management that oversees the bottom-up sustainability analysis.
- The sub-fund invested a minimum of 5% in green, social, sustainable, and/or sustainability-linked bonds.

### ● ***How did the sustainability indicators perform?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product performed as follows. All values are based on the positions and available data as at 31 December 2022.

- The portfolio contained on average 0.00% investments that are on the Exclusion list as result of the application of the applicable exclusion policy. Unless sanctions stipulate specific timelines, exclusions apply within three months after the announcement. If selling is not possible for liquidity reasons, then buying is not allowed. Once selling is possible at a reasonable price, holdings will be sold.
- 0 companies in portfolio are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of the Enhanced Engagement program.
- 0.84% of the holdings in portfolio had an elevated sustainability risk profile.
- The sub-fund invested 10.28% of its assets in green, social, sustainable and/or sustainability-linked bonds.

### ● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Robeco uses its proprietary SDG framework to determine if an investment qualifies as sustainable investment. Robeco's SDG Framework is a tool that systematically assesses individual companies on key SDG targets and sector-specific indicators which help analysts determine a company's SDG contributions. These contributions aggregate into an overall SDG company score. The resulting scores are used to help construct portfolios that pursue positive impact, avoid negative impact, and support sustainable progress in the economy, society and the natural environment. Positive scores imply that the investment does not significantly harm any of the UN Sustainable Development goals.

The sustainable investments contributed to any or more of the UN Sustainable Development Goals, which include both social and environmental objectives. Robeco used its proprietary SDG Framework to assess which investments constitute a sustainable investment as referred to in art 2(17) SFDR. Under the SDG Framework, "SDG scores" are calculated for each investment. Investments having positive SDG scores (+1, +2, +3) are deemed to contribute to the UN SDGs.



# Sustainability disclosures (unaudited)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

Alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact (PAI) are considered in the calculation of SDG scores under Robeco's proprietary SDG Framework. Violations with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and Principal Adverse Impact lead to a negative SDG score. Only investments with a positive SDG score can be classified as sustainable investment, indicating that such investments did no significant harm to any environmental or social sustainable investment objective. Minus scores show harm. Scores of -2 or -3 may even cause significant harm.

## *How were the indicators for adverse impacts on sustainability factors taken into account?*

The fund considered principal adverse impacts of its investment decisions on sustainability factors as part of its investment due diligence process and procedures. For sustainable investments this meant ensuring that the investments do no significant harm to any environmental or social objective. Many PAI indicators are either directly or indirectly included in the SDG Framework to determine whether a company has significant impacts on the SDGs related to the PAI indicators.

The following PAIs were considered in the fund:

- PAI 1, table 1 was considered for scope 1, 2 and 3 Green House Gas emissions via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 2, table 1 was considered for scope 1 and 2 carbon footprint via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 3, table 1 was considered for scope 1 and 2 Green House Gas intensity of investee companies via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 4, table 1 regarding the exposure to companies in the fossil fuel sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal ( $\geq 20\%$  of the revenues), oil sands ( $\geq 10\%$  of the revenues) and arctic drilling ( $\geq 5\%$  of the revenues)).
- PAI 5, table 1 regarding the share of energy consumption from non-renewable sources was considered via engagement and exclusions. Robeco is committed to contribute to the goals of the Paris Agreement and to achieving net zero carbon emissions by 2050. The portfolio decarbonization targets are derived from the P2 pathway from the IPCC 1.5-degree scenario of 2018. The P2 pathway is composed of the following emission milestones: 49% reduction of GHG emissions in 2030 and -89% reduction of GHG emissions in 2050, both relative to 2010 baseline.
- PAI 6, table 1 regarding Energy consumption per High Impact Climate sector was considered via engagement and exclusions. Robeco's Exclusion policy covers the exclusion of activities with highly negative climate impacts (e.g. thermal coal (Coal power expansion plans  $\geq 300$  MW)).



## Sustainability disclosures (unaudited)

- PAI 7, table 1 regarding activities negatively affecting biodiversity sensitive areas was considered via engagement. Robeco is developing methods to evaluate the materiality of biodiversity for our portfolios, and the impact of our portfolios on biodiversity. Based on such methods Robeco will set quantified targets in order to combat biodiversity loss, latest by 2024.
- For relevant sectors, biodiversity impact is considered in fundamental SI research analysis. Robeco is developing a framework to consider this across all investments.
- PAI 8, table 1 regarding Water emissions was considered via engagement. Within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to water. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 9, table 1 regarding hazardous waste and radioactive waste ratio was considered via engagement. In addition, within Robeco's Controversial Behavior program, companies are screened on a potential violation in relation to waste. When Robeco deems a company to cause significant negative impact on local water supply or waste issues which is a breach of UN Global Compact principle 7, it will either apply enhanced engagement or directly exclude the company from the universe.
- PAI 10, table 1 regarding violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises was considered via engagement and exclusions. Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and is guided by these international standards to assess the behavior of companies. In order to mitigate severe breaches, an enhanced engagement process is applied where Robeco deems a severe breach of these principles and guidelines has occurred. If this enhanced engagement, which may last up to a period of three years, does not lead to the desired change, Robeco will exclude a company from its investment universe.
- PAI 14, table 1 regarding exposure to controversial weapons was considered via exclusions. For all strategies Robeco deems anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons that are tailor made and essential, to be controversial weapons. Exclusion is applied to companies that are manufacturers of certain products that do not comply with the following treaties or legal bans on controversial weapons: 1. The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines. 2. The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions. 3. The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons. 4. Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons. 5. The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which limits the spread of nuclear weapons to the group of so-called Nuclear Weapons States (USA, Russia, UK, France and China). 6. The Dutch act on Financial Supervision 'Besluit marktmisbruik' art. 21 a. 7. The Belgian Loi Mahoux, the ban on uranium weapons. 8. Council Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.
- PAI 4, table 2 regarding investments in companies without carbon emission reduction initiatives was considered via engagement. Robeco engages with key high emitters in our investment portfolios via the engagement themes "Acceleration to Paris" and "Net Zero Carbon Emissions".

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:



## Sustainability disclosures (unaudited)

The sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via both Robeco's Exclusion Policy and Robeco's SDG Framework. Robeco's SDG Framework screens for breaches on these principles in the final step of the framework. In this step, Robeco checks whether the company concerned has been involved in any controversies. Involvement in any controversy will result in a negative SDG score for the company, meaning it is not a sustainable investment.

Robeco's Exclusion Policy includes an explanation of how Robeco acts in accordance with the International Labor Organization (ILO) standards, United Nations Guiding Principles (UNGPs), United Nations Global Compact (UNGC) Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is guided by these international treaties to assess the behaviour of companies. Robeco continuously screens its investments for breaches of these principles. In the reported year, there have been no breaches.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### How did this financial product consider principal adverse impacts on sustainability factors?

PAI were considered both pre-investment (through exclusions and through integration in the investment due diligence) and post-investments (through engagement). All values are based on the average positions over the reporting period.

Pre-investment, the following principal adverse impacts on sustainability factors were considered:

- o Via the applied normative and activity-based exclusions, the following PAIs were considered:
  - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1) was 3.1% of the net assets, compared to 0% of the benchmark
  - Exposure to companies in violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1) was 0% of the net assets, compared to 0% of the benchmark
  - Exposure to companies exploiting activities negatively affecting biodiversity-sensitive areas (PAI 7, Table 1) was 2.22% of the net assets, compared to 0% of the benchmark. The consideration of this PAI is currently restricted to applying exclusions to palm oil producing companies and for any breaches to the UNGC, UNGP and OECD Guidelines for Multinational Enterprises in relation to biodiversity.



## Sustainability disclosures (unaudited)

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1) was 0% of the net assets, compared to 0.03% of the benchmark
- o Via the ESG integration process, as part of the investment due diligence policies and procedures, the following PAIs were considered:
  - All indicators related to GHG emissions, as part of the required Climate Risk analysis (PAI 1-6, Table 1, PAI 4, Table 2)
  - Biodiversity, water and waste indicators (PAI 7-9, Table 1) when relevant for the sector

Post-investment, the following principal adverse impacts on sustainability factors were taken into account:

- o Via Robeco's entity engagement program, the following PAIs were considered:
  - At year end 29 companies in portfolio were subject to the Robeco Entity Engagement program. Via the Robeco Entity Engagement program, the following numbers of engagement cases per PAI were active on portfolio holdings, during the reporting period: PAI 1, table 1: GHG emissions 2 cases. PAI 2, table 1: Carbon footprint 2 cases. PAI 3, table 1: GHG intensity of investee companies 2 cases. PAI 4, table 1: Exposure to companies active in the fossil fuel sector 2 cases. PAI 5, table 1: Share of nonrenewable energy consumption and production 2 cases. PAI 6, table 1: Energy consumption intensity per high impact climate sector 2 cases. PAI 12, table 1: Unadjusted gender pay gap 2 cases. PAI 13, table 1: Board gender diversity 2 cases. PAI 7, table 1: Activities negatively affecting biodiversity sensitive areas 1 case. PAI 8, table 1: Emissions to water 1 case. PAI 9, table 1: Hazardous waste and radioactive waste ratio 1 case. PAI 10, table 1: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises 1 case. PAI 11, table 1: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises 1 case.
  - All indicators related to Climate and other environment-related indicators (PAI 1-13, Table 1)
  - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1)
  - In addition, based on a yearly review of Robeco's performance on all mandatory and selected voluntary indicators, holdings of The Sub-fund that cause adverse impact might be selected for engagement.



# Sustainability disclosures (unaudited)



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2022 through 31 December 2022

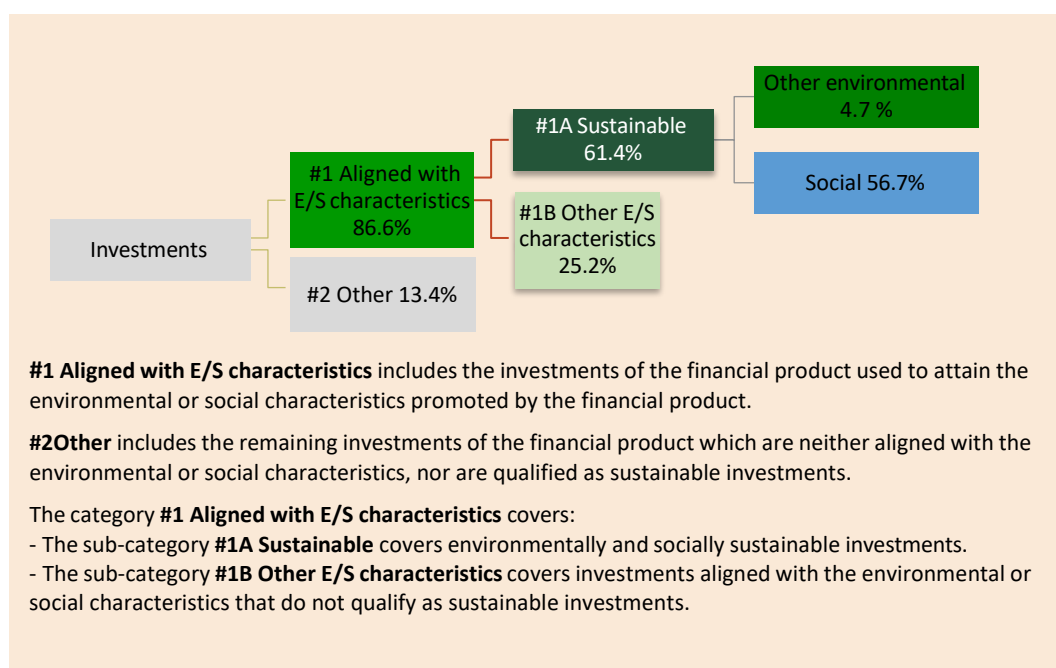
Largest investments	Sector	% Assets	Country
2.250 NEXTERA ENERGY CAPITAL 01-JUN-2030	Electric	1.22	United States
2.625 US TREASURY N/B 28-FEB-2023	Treasuries	1.15	United States
1.500 United States Treasury Note/Bond 28-Feb-2023 (FRN) CAR 2020-1FRV A 21-OCT-2036	Treasuries	1.00	United States
2.250 TSMC GLOBAL LTD 23-APR-2031	Car Loan	0.94	France
0.050 EUROPEAN INVESTMENT BANK 15-NOV-2029	Technology	0.85	Taiwan
5.625 DEUTSCHE BANK AG 19-MAY-2031	Supranational	0.84	European Union
7.625 CARNIVAL CORP 01-MAR-2026	Banking	0.82	Germany
1.843 BANK OF AMERICA CORP 04-FEB-2025	Consumer Cyclical	0.80	United States
0.050 EUROPEAN INVESTMENT BANK 13-OCT-2034	Banking	0.80	United States
2.875 BANK OF NOVA SCOTIA 03-MAY-2027	Supranational	0.78	European Union
0.750 CELLNEX TELECOM SA 20-NOV-2031	Banking	0.76	Canada
3.100 WESTERN DIGITAL CORP 01-FEB-2032	Communications	0.73	Spain
0.606 NESTLE HOLDINGS INC 14-SEP-2024	Technology	0.72	United States
2.050 VISA INC 15-APR-2030	Consumer Non Cyclical	0.69	United States
	Technology	0.68	United States

## What was the proportion of sustainability-related investments?

86.6%

### What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.





# Sustainability disclosures (unaudited)

## ● In which economic sectors were the investments made?

### GICS Sector Level 3

### Average exposure in % over the reporting period

Sectors deriving revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels -

Natural Gas 0.53

### Other sectors

Banking 32.54

Technology 6.93

Treasuries 5.87

Communications 5.53

Consumer Cyclical 5.38

Consumer Non Cyclical 4.65

Insurance 3.83

Basic Industry 3.82

Owned No Guarantee 3.35

Electric 3.24

Supranational 2.52

Car Loan 2.33

Energy 1.54

Transportation 1.47

Capital Goods 1.35

Financial Other 0.97

Mortgage Assets 0.89

Whole Business 0.64

REITS 0.37

Residential Mortgage 0.13

Sovereign 0.09

Local Authorities 0.06

Government Guarantee 0.06

Government Sponsored 0.03

Industrial Other 0.00

Cash and other instruments 11.87

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0%.

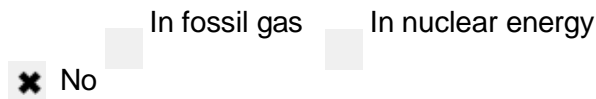
● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy 1?**

☐ Yes:

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



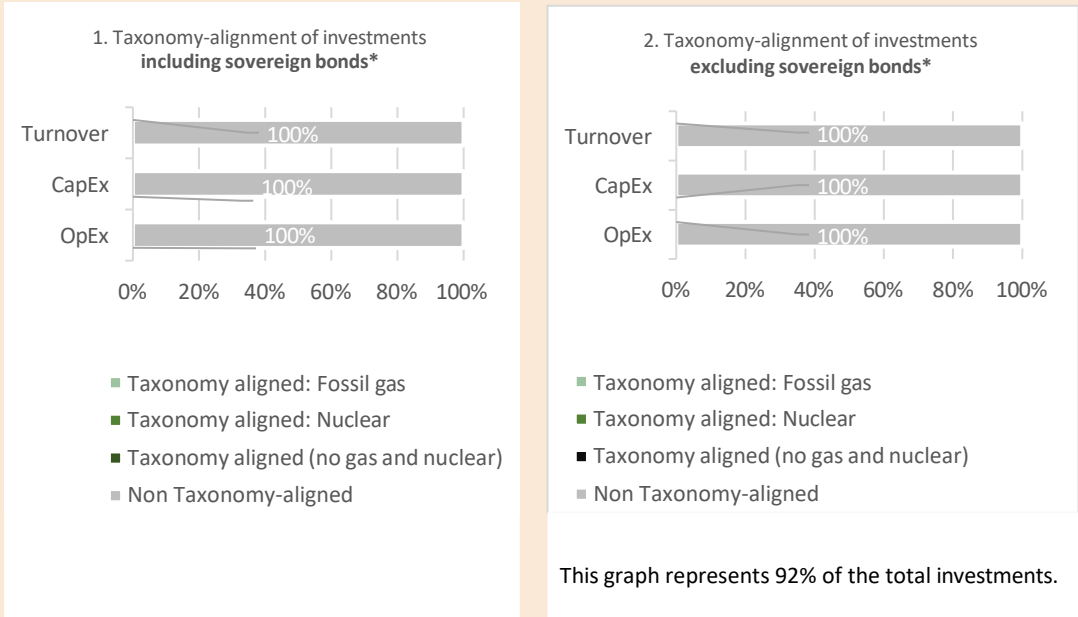
# Sustainability disclosures (unaudited)



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**  
0%.



# Sustainability disclosures (unaudited)



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



## What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

4.6%. This concerns investments with a positive score on one of more of the following SDG's, without harming other SDG's: SDG 12 (responsible consumption and production), 13 (climate action), 14 (life below water) or 15 (life on land).



## What was the share of socially sustainable investments?

56.7%. This concerns investments with a positive score on one of more of the following SDGs, without harming other SDGs: SDG 1 (No poverty), 2 (zero hunger), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 7 (affordable and clean energy), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure), 10 (reduced inequalities), 11 (sustainable cities and communities), 16 (peace, justice and strong institutions) or 17 (partnerships for the goals).



## What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Amongst others, the use of cash, cash equivalents and derivatives is included under "Other". The fund may make use of derivatives for hedging, liquidity and efficient portfolio management as well as investment purposes (in line with the investment policy). Any derivatives in the fund were not used to attain environmental or social characteristics promoted by the financial product.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reporting period, the overall sustainability profile of the sub-fund was improved further by focusing on material information with regards to Environmental, Social and Governance factors. Furthermore, 29 holdings were under active engagement either within Robeco's thematic engagement programs or under more company-specific engagement topics related to Environmental, Social and/or Governance issues. In addition, 10.28% of the assets were invested in green bonds.