

ROBECO
The Investment Engineers

20

Robeco Sustainable Global Stars Equities Fund N.V.

Investment company with variable capital incorporated under Dutch law
Undertaking for Collective Investment in Transferable Securities
Chamber of Commerce registration number 24041906

Annual Report 2020

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Robeco Sustainable Global Stars Equities Fund N.V.

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

Management board (and manager)

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

Executive Committee ('ExCo') of RIAM

Policymakers RIAM:

G.O.J.M. (Gilbert) Van Hassel * (CEO)

K. (Karin) van Baardwijk * (Deputy CEO)

A.J.M. (Lia) Belilos-Wessels

M.C.W. (Mark) den Hollander *

M.F. (Mark) van der Kroft (since 1 September 2020)

M.O. (Martin) Nijkamp

H-C. (Christoph) von Reiche

V. (Victor) Verberk

P.J.J. (Peter) Ferket * (until 22 May 2020)

* also statutory director

Supervisory board of RIAM:

M.F. (Maarten) Slendebroek (Chair, since 13 August 2020)

S. (Sonja) Barendregt-Roojers (Vice Chair)

S.H. (Stanley) Koyanagi (since 13 August 2020)

J.J.M. (Jeroen) Kremers (until 30 March 2020)

M.A.A.C. (Mark) Talbot

R.R.L. (Radboud) Vlaar

More information on the ExCo and the Supervisory Board can be found on the website www.robeco.com.

Depositary and Transfer Agent

J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch

Strawinskylaan 1135,

NL-1077 XX Amsterdam

Fund managers

Jan Keuppens (until 1 November 2020)

Michiel Plakman

Fund agent and paying agent

ING Bank N.V.

Bijlmerplein 888,

NL-1102 MG Amsterdam

Independent Auditor

KPMG Accountants N.V.

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Chamber of Commerce registration number 24041906

Report by the manager

General information

Legal aspects

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

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

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

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

In 2020, the AFM has determined that Robeco must undertake a number of remedial measures to improve the processes in relation to the Money Laundering and Terrorist Financing (Prevention) Act ('Wwft') and the Sanctions Act ('Sw') in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers. The improvements have commenced in 2020 and are scheduled to be completed by the end of 2021. Subsequent to the above, and as a separate matter, the AFM has indicated that it has concerns about the way in which Robeco has set up its business operations. Robeco has engaged with the AFM to substantiate Robeco's views in this respect.

Robeco

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

Supervision by the Supervisory Board of Robeco Institutional Asset Management B.V.

The Supervisory Board of Robeco Institutional Asset Management B.V. supervises the general affairs of Robeco and its businesses as managed by the Management Board and Executive Committee, including the funds under management. During the meetings of the Supervisory Board, attention was paid, among other things, to developments in the financial markets and the performance of the funds.

Based on periodic reports, the Supervisory Board discussed the results of the funds with the Management Board and Executive Committee. These discussions focused on the investment results, the development of assets under management as a result of market movements and the net inflow of new money as well as operational matters.

In the meetings of the Audit & Risk Committee of the Supervisory Board, amongst other things the interim financial reports and the reports of the independent auditor were regularly on the agenda. In addition, risk management, incident management, the tax position and quarterly reports from internal audit, compliance, legal affairs and risk management were discussed. Furthermore, the Audit & Risk Committee and Supervisory Board discussed the improvements for Robeco's processes, following to the measures imposed by the AFM in relation to the Dutch Money Laundering and Terrorist Financing (Prevention) Act and the Dutch Sanctions Act. Attention was also paid to fund governance and compliance with the principles that RIAM has established in order to secure a careful handling of (potential) conflicts of interest between RIAM as a fund manager and the investors in the funds. The following subjects were on the agenda, among others: an annual report of fund governance related monitoring activities prepared by the Compliance department, the Audit Report of KPMG and the annual reports and semi-annual reports of the funds. The Supervisory Board has determined that RIAM's principles for fund governance are applied.

Market Impact Covid-19

Robeco considers the ongoing Covid-19 pandemic as a significant event which may impact the investment funds under management. The impact of the pandemic on people, companies and the economy at large remain uncertain. Pending herd immunity as a result of a substantial vaccination rate, the global economy will, however, still be impacted by opening and closing of (business) operations. Furthermore, a slowdown in the trajectory towards herd immunity as a result of risks relating to vaccine logistics, vaccine side effects, reduced effectiveness, or public resistance to (mandatory) vaccination, may have a negative impact on markets.

Report by the manager (continued)

General information (continued)

Our operational measures for business continuity

In response to the ongoing Covid-19 crisis, Robeco is constantly monitoring the latest developments and has taken all measures necessary to manage the situation and to ensure business continuity, while ensuring the health and safety of our clients, our employees and our suppliers. Our operational measures and capabilities are such that Robeco remains fully functional in managing client portfolios and serving clients. Our systems and platforms are designed to enable our staff, most of whom have worked from home throughout the crisis based on their local health and safety measures, to operate as normal. Our approach is one of vigilance and flexibility, allowing us to implement new or revised measures smoothly and as necessary.

Sustainable Finance Disclosure Regulation

In March 2018, the European Commission announced the adoption of the European Union's Sustainable Finance Action Plan (the 'Plan'), set out in response to the landmark signing of the Paris Agreement, and the United Nations 2030 Agenda for Sustainable Development. The Plan aims to bring in harmonized rules on sustainability related disclosures and policies, and to make it easier for end investors to ultimately assess the underlying sustainability criteria of an individual investment vehicle. The successful implementation of the EU Sustainable Finance Plan is of strategic importance for Robeco. A project management team of over 30 staff representing all key departments in Robeco are leading the efforts in this process. In 2020, Robeco has been preparing for the implementation of Level 1 of the Regulation on sustainability-related disclosures in the financial services sector (SFDR), that sets out which sustainability related disclosures must be made for an investment product. These disclosures have been made in the prospectus and other key investor documents, on the website and in future annual reports, starting as of the end of 31 December 2021. This means that the 2021 annual report will reflect conformity to the new requirements for sustainability reporting.

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

Early 2018, Robeco announced that it would be outsourcing part of its operations and administration activities to J.P. Morgan. The decision to outsource is part of the Robeco's strategic plan for the 2017-2021 period, which envisages further international growth in both investment and client servicing activities. In the course of 2018, J.P. Morgan became Robeco's service provider for fund accounting, operations, custody, depositary and securities lending, in two phases. In April 2019, J.P. Morgan became Robeco's transfer agent for all funds. In July 2020, J.P. Morgan also became Robeco's service provider for the middle office services.

Share classes

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

Share class A: Robeco Sustainable Global Stars Equities Fund

Share class B: Robeco Sustainable Global Stars Equities Fund - EUR G.

The management fee for the Robeco Sustainable Global Stars Equities Fund - EUR G share class (without distribution fee) is lower than for the Robeco Sustainable Global Stars Equities Fund share class.

Attribution to share classes

The administration of the fund is such that attribution of the results to the different share classes takes place on a daily basis and pro rata. Issues and repurchases of own shares are registered per share class. The differences between the various share classes are explained in notes 11, 13 and 16 to the financial statements.

Conversion of bearer shares

In the past, the fund issued shares in the form of bearer shares (also known as 'K-certificates'). In connection with the coming into effect of the Dutch Conversion of Bearer Shares Act (Wet omzetting aandelen aan toonder, the 'Act'), the holders of bearer shares had until 31 December 2020 to convert these into registered shares. All bearer shares which have not been converted in time were, on the basis of the Act, acquired by the fund for no consideration per 1 January 2021. From 1 January 2021 through 31 December 2025, holders of K-certificates in the fund may exchange their K-certificate for a replacement registered share. To this end, shareholders should submit their bearer shares through their own bank to the fund agent (ING Bank).

Tax features

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

Liquidity of ordinary shares

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

Report by the manager (continued)

General information (continued)

Liquidity of ordinary shares (continued)

Both the Robeco Sustainable Global Stars Equities Fund and Robeco Sustainable Global Stars Equities Fund - EUR G share class are listed on Euronext Amsterdam¹, Euronext Fund Service segment. In addition, the fund is listed on the stock exchanges of Berlin, Dusseldorf, Frankfurt, Hamburg, Luxembourg, Munich, Vienna and Zurich.

¹ Depending on the distributor, investment may be made in Robeco Sustainable Global Stars Equities Fund or Robeco Sustainable Global Stars Equities Fund - EUR G.

Key investor information and prospectus

A prospectus has been prepared for Robeco Sustainable Global Stars Equities Fund N.V. with information on the fund, the costs and the risks. A key investor information document has been prepared for each share class of the investment company with information on the product and its associated costs and risks. These documents are available free of charge at the fund's offices and at www.robeco.com.

Audit committee tasks

An audit committee must be set up for investment funds that are classified as public interest entities (PIE). The Robeco funds are exempt from appointing an audit committee on the basis of Article 3 of the 'Besluit instelling auditcommissie'. This means that Robeco's funds with PIE status do not have an audit committee. However, the absence of an audit committee does not mean that the associated tasks will be canceled, but that they must have been assigned elsewhere in the Robeco organization. Within Robeco, these tasks will be performed by the Management Board and Executive Committee of RIAM..

Information for investors in the respective countries

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

Representative and paying agent in Switzerland

ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zürich, is appointed as the fund's representative in Switzerland. Copies of the Key Investor Information, the Prospectus, Articles of Association, annual and semi-annual reports, and a list of all purchases and sales in the fund's securities portfolio during the reporting period are available from the above address free of charge.

UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich, is the fund's paying agent in Switzerland. Postal address: Badenerstrasse 574, Postfach, CH-8098 Zürich.

Representative and paying agent in Germany

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

Financial services in Belgium

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

Translations

This report is also published in Dutch and German. Only the original version published in Dutch is legally valid.

Report by the manager (continued)

Key figures per share class

Overview 2016-2020

Robeco Sustainable Global Stars Equities Fund	2020	2019	2018	2017	2016	Average
Performance in % based on:						
- Market price ^{1,2}	16.8	32.6	-4.4	12.1	6.7	11.9
- Net asset value ^{1,2}	16.8	32.3	-3.5	12.0	6.3	12.1
MSCI World Index (Net Return) ³	6.3	30.0	-4.1	7.5	10.7	9.6
Dividend in EUR ⁴	1.00	1.00 ⁶	1.00 ⁶	1.00 ⁶	1.00	
Total net assets ⁵	1.4	1.3	1.1	1.3	1.4	

Robeco Sustainable Global Stars Equities Fund – EUR G	2020	2019	2018	2017	2016	Average
Performance in % based on:						
- Market price ^{1,2}	17.4	33.2	-3.9	12.7	7.2	12.5
- Net asset value ^{1,2}	17.4	32.9	-3.0	12.5	6.8	12.7
MSCI World Index (Net Return) ³	6.3	30.0	-4.1	7.5	10.7	9.6
Dividend in EUR ⁴	1.00	1.00 ⁶	1.00 ⁶	1.00 ⁶	1.00	
Total net assets ⁵	1.7	1.5	1.3	1.4	1.4	

¹ The differences between the performance based on market price and the performance based on net asset value is caused by the fact that the market price is the NAV of the previous trading day corrected for the surcharge or discount as described under Liquidity of ordinary shares

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

³ Currencies have been converted at rates supplied by World Market Reuters.

⁴ The dividend per share relates to the reporting year mentioned and is distributed in the following year. The figure for 2020 is a proposal. Further information on the proposed dividend can be found in the section Proposed profit appropriation on page 33.

⁵ EUR x billion.

⁶ In order to meet the tax distribution obligation, a revised dividend proposal for the Robeco Global Stars Equities Fund asset class was submitted to the General Meeting of Shareholders (GMS): This proposal was approved by the GMS.

General introduction

Financial markets environment

The end of 2019 saw the global economy in a late phase of economic expansion. The pickup in leading indicators early on in January 2020, spurred by the long awaited Phase 1 trade agreement between the US and China on 15 January, seemed promising. Unfortunately, later that month an exogenous shock emerged as the Covid-19 virus started to spread across the globe. At the end of the first quarter of 2020, the economy plunged into the deepest global recession since the 1930s, peaking around April as a result of a widespread economic and social lockdown. This was the result of governments attempting to contain the spread of the virus, after the WHO declared a pandemic on 11 March. Real GDP declined by 6.8% in China in the first quarter, and 31.4% at an annual rate in the US GDP in the second quarter. As the Covid-19 infection curves started to flatten in response to severe lockdowns, subsequent gradual re-openings led to economic activity picking up in May and June, with an early, lopsided recovery extending into the third quarter of 2020. However, as the virus re-emerged to kick off a second Covid-19 wave in August, the policy pendulum began to swing back and forth between re-openings and lockdowns, leading to economic momentum stalling in the fourth quarter. The IMF estimates that global GDP contracted by 3.5% in 2020 despite the global rebound in activity observed since April, with China already fully recovering lost output by the fourth quarter of 2020. The economic recovery from the Covid-19 pandemic remained uneven and incomplete at the end of 2020.

In the absence of herd immunity, governments continue to face a 'trilemma' between solving the health crisis, maintaining economic momentum, and safeguarding personal freedoms. The policy stimulus to mitigate the damage to the real economy from lockdowns has been significant, with central banks lowering interest rates to the effective lower bound, and governments stimulating their economies to such an extent that global sovereign debt to GDP levels for advanced G20 economies is now the highest it has been in 150 years.

In addition to Covid-19, 2020 witnessed a number of other major events. Donald Trump lost the US presidential election in November, and with the run-off Senate-election in Georgia the Democrats now enjoy a majority in the House of Representatives and effective control of the Senate. On Christmas Eve, British Prime Minister Boris Johnson managed to announce a post-Brexit trade deal. The new trade relations between the EU and the UK will resemble the Canadian model with tariff-free flows of goods between the EU and the UK. However, services are subject to import and export duties.

Report by the manager (continued)

General introduction (continued)

The outlook for equities

In 2020 financial markets have clearly been rewarding countries that addressed the pandemic quickly and effectively. Though the MSCI World Index only gained 6.3% (unhedged, EUR), countries that managed Covid-19 well such as South Korea (+ 32.5%) and China (+ 29.5%) enjoyed strong outperformances. As they wait for the arrival of vaccines and ensuing herd immunity, the quality of government responses to Covid-19 will remain a pricing determinant in cross-country financial market outcomes. 2020 was a truly historic year for many equity indices, with a massive, tech-led relief rally after the global recession peaked in March. After falling 34%, the S&P500 rallied 47% since the bottom of 23 March. Abundant global liquidity from central banks and swift fiscal stimulus from governments led to strong multiple expansion even as the recession lingered. Looking ahead, the enhanced coordination between monetary and fiscal policy, with central banks acting as credible fiscal financiers, will be supportive for equity markets. Excess liquidity and increasingly targeted fiscal stimulus will likely sustain equity valuations. Nonetheless, the easy gains have been realized. The onus now is on earnings growth to accelerate in order to boost equity returns. We think earnings growth around the 20% mark in 2021 is a realistic assumption given the early expansion phase of the business cycle. High private savings, increasing optimism among CEOs, positive wealth effects from a resilient housing market, and the continuing low interest rate environment will boost consumption and investments as herd immunity against Covid-19 becomes within reach. Upside risk to our equity outlook is that the global economic recovery is more swift and highly synchronized compared to consensus expectations. In the current environment of abundant excess liquidity and ongoing fiscal stimulus this could catapult market sentiment from rational exuberance into irrational euphoria, stretching valuation levels even further. Downside risks to our equity outlook are an unanticipated slowdown in the trajectory towards herd immunity or an economically unwarranted steep rise in (real) long term interest rates due to a hiccup in central bank forward guidance.

Investment policy

Introduction

The fund is a globally invested equity fund that has been in existence since 1929, making it one of the oldest existing investment companies in the Netherlands.

Investment objective

The fund's objective is to offer clients a well-diversified global equity portfolio with the aim of generating higher returns than the index, the MSCI World Net Return Index. The manager advocates sustainable investing. This means that the fund invests responsibly, taking into account environmental, social and governance perspectives.

Implementation of the investment policy

The equity markets in 2020 were dominated by the news around the Covid-19 pandemic and the subsequent response by governments and central banks around the world. While the impact of this pandemic on the real economy was extremely negative, most governments and central banks were very quick to lend support in terms of both fiscal and monetary stimulus. This provided significant support for most capital markets around the world. All in all, it turned out to be a strong year for global equity markets once again. Our strategy had a strong absolute return of roughly 18% (gross of fees) for the year and outperformed the MSCI World Index that serves as its reference index by approximately 12%.

The strongest contribution to our performance came from the Energy sector, where we disposed of our traditional energy producers like Royal Dutch Shell and Lundin Petroleum and concentrated our holding in Nete Oyj, a Finnish producer of alternative diesel fuels. As the regulation around the world with regards to carbon emissions continues to become stricter, there is a significant focus on renewable sources of energy that can help reduce overall carbon emissions. Neste Oyj is a prime beneficiary of this trend.

The second largest contribution to overall performance came from Charter Communications. Charter has consolidated several other large cable operators, including BrightHouse and Time Warner Cable and has normalized pricing and capital requirements. With normalized capital spending and significant pricing power, free cash flow generation for the cable business has improved markedly, leading to another year of very strong returns for Charter Communications.

The third largest contribution to investment performance came from Microsoft. Microsoft is a clear beneficiary of the trend towards cloud computing and working from home. As a lot of people were forced to work from home during the Covid-19 pandemic, Microsoft benefitted from the enterprise upgrade cycle towards higher skews of their Office 365 products that includes Microsoft Teams. Next to Zoom Communications, MS Teams is one of the most frequently used tools for office worker live video communications.

The largest negative contributions to investment performance came from our underweight in Tesla, which rose more than 600% during the year, and our holding in State Street, which suffered from the low interest rate environment and continuous repricing of their book of business. While we do like Tesla from a fundamental perspective, both its high valuation in terms of free cashflow yield and its low return on invested capital have kept us on the side lines.

During the year, we exited businesses with weaker sustainability profiles and names that also have a weak environmental footprint, such as Royal Dutch Shell and Lundin Petroleum. We have added new names such as Zebra Technologies, Aspen Technologies, Vestas and Trane Technologies that have raised the overall sustainability profile of the Fund, while at the same time offering good free cash flow generation and return on invested capital.

Report by the manager (continued)

Investment policy (continued)

Currency policy

The currency policy is based on the benchmark weights. Only minor deviations are made from this benchmark. For further quantitative information on currency risk we refer to the information on currency risk provided on page 22.

Policy on derivatives

In compiling the portfolio for Robeco Sustainable Global Stars Equities Fund N.V., individual stocks form our starting point (bottom-up selection process). Our stock selection forms the basis for allocation to regions and countries. A top-down check is then performed on this allocation to regions and countries to establish whether the allocation complies with our knowledge of these countries and regions and/or the risks involved. The weights for regions and countries can be adjusted during this process with the aid of futures.

Investment result

Investment result per share class

Share class	Price in EUR x 1 31/12/2020	Price in EUR x 1 31/12/2019	Dividend paid May 2020 ¹	Investment result in reporting period in % ²
<i>Robeco Sustainable Global Stars Equities Fund</i>			1.00	
- Market price	52.26	45.76		16.8
- Net asset value	52.26	45.76		16.8
<i>Robeco Sustainable Global Stars Equities Fund - EUR G</i>			1.00	
- Market price	56.96	49.54		17.4
- Net asset value	56.96	49.54		17.4

¹ Ex-dividend date.

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

Net earnings per share ¹

EUR x 1

Robeco Sustainable Global Stars Equities Fund	2020	2019	2018	2017	2016
Investment income	0.75	0.80	0.78	0.68	0.83
Change in value	7.22	11.05	-1.57	3.94	1.21
Management costs, service fee and other costs	-0.54	-0.47	-0.42	-0.41	-0.36
Net result	7.43	11.38	-1.21	4.21	1.68

Robeco Sustainable Global Stars Equities Fund – EUR G	2020	2019	2018	2017	2016
Investment income	0.81	0.86	0.84	0.72	0.88
Change in value	7.85	11.93	-1.69	4.10	1.54
Management costs, service fee and other costs	-0.32	-0.28	-0.25	-0.24	-0.21
Net result	8.34	12.51	-1.10	4.58	2.21

¹ Based on the average amount of shares outstanding during the reporting year. The average number of shares is calculated on a daily basis.

The Robeco Sustainable Global Stars Fund performed very well in 2020. With a total return of roughly 18% (gross of fees), the Fund outperformed the MSCI World Index that serves as its reference index by approximately 12%. Main positive contribution came from stock picking in the Energy, Information Technology and Communication Services sectors, while there was a slight negative impact from stock picking in the Materials and Consumer Discretionary sectors.

Return and risk

The tracking error is a frequently used measure to gauge portfolio risk. It indicates the degree to which positions in the portfolio can diverge from those in the benchmark. The tracking error for the fund was 2.8% for the year.

Another measure used is the active part of the portfolio, the active share. This is the part that diverges from the benchmark. For instance, if Microsoft has a weight of 3% in the benchmark and a weight of 5% in the Robeco portfolio, the active part for this position is 2%. The fund portfolio had an active share of 82% at the end of 2020. In comparison: an index-tracking fund, or ETF, that follows the benchmark has an active share of close to zero.

Report by the manager (continued)

Investment result (continued)

Return and risk (continued)

A third measure of risk is the portfolio's beta, a means of gauging the degree to which the portfolio moves along with the market. A portfolio with a beta above 1 is subject to greater fluctuations than the market. The fund's beta came to 0.98 at the end of the year, thus slightly less than 1. Clearly, the value of beta does not represent a goal in itself but rather results from the stocks selected for the portfolio.

The fund has a long-term investment horizon of three to five years: we buy stocks that we expect to remain in the portfolio for an average of three to five years. In 2020 the fund's portfolio turnover was 98% (double counting). In other words, around a fifth of the portfolio holdings changed. This corresponds to an investment horizon of three to five years.

Risk management

A description of the risk management can be found in the notes to the financial statements on pages 20 through 26.

Movements in net assets

During the reporting period the net assets of Robeco Sustainable Global Stars Equities Fund rose by EUR 254.4 million to EUR 3,066.4 million. This increase can be explained by the following items. On balance, shares were redeemed to the amount of EUR 143.3 million. Adding the net result increased these assets by EUR 455.5 million. EUR 57.8 million was distributed in dividend.

Survey of movements in net assets

	2020 EUR' 000	2019 EUR' 000
Assets at opening date	2,811,984	2,377,285
Company shares issued	159,342	53,398
Company shares repurchased	(302,608)	(298,009)
Situation on closing date	2,668,718	2,132,674
Investment income	45,004	51,432
Receipts on surcharges and discounts on issuance and repurchase of own shares	295	252
Management fee	(20,459)	(19,587)
Service fee	(4,068)	(3,083)
Other costs	(20)	(258)
	20,752	28,756
Changes in value	434,723	712,656
Net result	455,475	741,412
Dividend paid	(57,827)	(62,102)
Assets at closing date	3,066,366	2,811,984

Remuneration policy

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

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

Responsibility for the remuneration policy

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

Report by the manager (continued)

Remuneration policy (continued)

Fixed remuneration

The fixed salary of each employee is based on his/her role and experience and is in accordance with the RIAM salary ranges, which have also been derived from benchmarks in the investment management sector. The fixed salary is deemed to be adequate remuneration for the employee to properly execute their responsibilities, regardless of whether the employee receives any variable remuneration.

Variable remuneration

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

The variable remuneration component for the fund managers depends on the multi-year performance of the fund. The system is linked to outperformance with regard to risk-adjusted pre-determined annual targets. The calculated outperformance over a one-year, three-year and five-year period is taken into account when determining the variable remuneration. Also important in this determination are behavior, the extent to which team- and individual qualitative and predetermined objectives have been achieved and the extent to which Robeco corporate values are observed. The fund manager's contribution to the various organizational objectives is also taken into consideration. Poor performance, unethical or non-compliant behavior will be taken into account when determining individual awards and could result in a reduction of variable remuneration. For the senior fund manager, the Identified Staff regime also applies (see below).

Identified Staff

RIAM has a specific and more stringent remuneration policy for employees who could have a material impact on the risk profile of the fund. These employees are designated to be 'Identified Staff'. For 2020, in addition to the Management Board, RIAM has designated 96 employees as Identified Staff, including all senior portfolio managers, senior management and the heads of the control functions (HR, Compliance, Risk Management, Business Control, Internal Audit and Legal). Among other things the performance targets of these employees that are used to determine the award of variable pay are subject to additional risk analyses, both prior to the performance year and at the end when the results are evaluated. In addition, in all cases at least 70% of the payment of variable remuneration granted to these employees will be deferred for a period of four years, and 50% will be converted into instruments ('Robeco Cash Appreciation Rights') whose value will follow the company's future results.

Risk control

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

Annual assessment

RIAM's remuneration policy and the application thereof was evaluated in 2020 under the responsibility of the Supervisory Board of RIAM, advised by the Nomination & Remuneration Committee of the Supervisory Board of RIAM. As a result, the remuneration policy will be updated in view of the new Sustainable Finance Disclosure Regulation (SFDR) and further enhanced to ensure full compliance with all regulations.

Remuneration in 2020

Of the total amounts granted in remuneration¹ by RIAM in 2020 to the group's Board, Identified Staff and Other Employees, the following amounts are to be assigned to the fund:

Remuneration in EUR x 1

Staff category	Fixed pay for 2020	Variable pay for 2020
Board (4 members) ²	41,818	73,657
Identified Staff (96) (ex Board) ²	399,915	282,845
Other employees (631 employees)	970,964	317,046

The total of the fixed and variable remuneration charged to the fund is EUR 2,086,245. Imputation occurs according to the following key:

Report by the manager (continued)

Remuneration policy (continued)

Remuneration in 2020 (continued)

Total remuneration (fixed and variable) x	$\frac{\text{Total fund assets}}{\text{Total assets under management (RIAM)}}$
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The fund itself does not employ any personnel and has therefore not paid any remuneration above EUR 1 million.

¹ The remunerations relate to activities performed for one or more Robeco entities.

² The 2019 remuneration figures have been corrected. The 2019 variable remuneration awards have been revised to EUR 27,205 for the current and former statutory directors and to EUR 220,480 for the identified staff. Subsequently a total of 2 employees was paid remuneration amounting to over EUR 1 million in 2019.

Remuneration manager

The manager (RIAM) has paid to 5 employees a total remuneration above EUR 1 million.

Sustainable investing

All Robeco's investment activities comply with the Principles for Responsible Investing (PRI). In 2020, Robeco was awarded an A+ for all applicable modules that were assessed as part of the Principles for Responsible Investment (PRI) 2020 report. This was the seventh year in a row that Robeco obtained the highest score for the majority of the modules assessed by PRI. Responsibility for implementing Sustainable investing lies with the CIO Fixed Income and Sustainability, who also has a seat on Robeco's Executive Committee.

Focus on stewardship

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

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

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

ESG integration by Robeco

Sustainability can bring about changes in markets, countries and companies in the long term. And since changes affect future performance, ESG factors can in our view add value to our investment process. We therefore look at these factors in the same way as we consider a company's financial position or market momentum. We have research available from leading sustainability experts, including our 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. We can then focus on the most relevant information in performing our investment-analysis and can reach enhanced investment decisions. Besides integrating ESG, Active Ownership and exclusions into all of our investment processes, in 2020 we continued developing new sustainable investment funds with specific sustainable goals and criteria, including Paris aligned fixed income funds and a circular economy fund. Our quantitative investment strategies added a new sustainability characteristic to their approach by making sure the environmental footprint (GHG (greenhouse gas) emissions) is always below that of the benchmark. This is supported by the philosophy not to run risks that we do not believe will be rewarded in the future.

Contributing to the Sustainable Development Goals

Robeco is a signatory in the Netherlands to the Sustainable Development Goals Investing Agenda. To help our customers contribute to the objectives, we worked on analyzing the SDG¹ contribution of companies and developing SDG investment solutions. Currently multiple solutions are available both in equity and fixed income and the amount of assets that are managed in line with this SDG methodology is increasing rapidly.

¹ Sustainable Development Goals

Furthermore, Robeco contributes to the SDGs by integrating ESG factors in its decision-making process for investments and encourages companies to act in support of these goals by means of a constructive dialogue. The SDGs are continually considered during the engagement and voting activities.

Report by the manager (continued)

Sustainable investing (continued)

Combatting climate change

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 being assessed and monitored by the financial risk management department. In 2020 Robeco expanded its climate change policy by announcing the ambition to achieve net-zero greenhouse gas (GHG) emissions by 2050 across all its assets under management. As this is a long-term ambition, a roadmap will be developed and interim targets will be set. These targets will include reduction of portfolio emissions, but also investment in climate solutions such as green bonds and engagement with investee companies to drive emission reductions in the real economy and create real world impact.

Exclusion

Robeco pursues an exclusion policy for companies that are involved in the production of or trade in controversial weapons such as cluster munition and anti-personnel mines, for tobacco companies and for companies that severely and structurally violate either the United Nations Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises. We apply 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. In 2020 Robeco decided to expand the exclusion policy for its funds with certain fossil fuel companies. Companies that derive 25% or more of their revenues from thermal coal or oil sands, or 10% from Arctic drilling, are barred from all funds. For our sustainable and impact fund range the revenue hurdles are 10% for thermal coal and oil sands and 5% for Arctic drilling. The exclusions were implemented at the end of the fourth quarter of 2020.

Active ownership

Constructive and effective activities under active ownership encourage companies to improve their management of risks and opportunities in the field of ESG. This in turn establishes a better competitive position and improved profitability and moreover has a positive impact on the community. Active ownership involves voting and engagement. Robeco exercises its voting rights for the shares in its investment funds all over the world. In 2020, we voted at 31 shareholder meetings on behalf of Robeco Sustainable Global Stars Equities Fund N.V. At 23 (74%) of the 31 meetings, we cast at least one vote against management's recommendation. In addition, Robeco enters into an active dialogue with the companies in which it invests on questions concerning the environment, society and corporate governance. In 2020, our activities towards achieving active ownership were again awarded high scores under the Principles for Responsible Investment (PRI). Robeco has Active Ownership specialists in both Rotterdam and Hong Kong. In 2020 Robeco engaged with over 222 companies on different issues ranging from corporate governance to food security to climate change. For Robeco Sustainable Global Stars Equities Fund N.V., we entered into a dialogue with 23 companies, involving 23 value engagement cases. More information on our processes and themes can be found in the Stewardship Policy.

The primary focus of this engagement is to address strategic ESG issues that might affect value creation in the long term. Hereafter, 2020 case studies are provided to illustrate Robeco's approach towards fulfilling our stewardship responsibilities.

Robeco's Active Ownership response to Covid-19

Robeco has been active with its engagement partners and in the media since the start of the Covid-19 pandemic with regard to the ESG-related impact of the crisis. Below, we highlight a few activities that have taken place since March.

- 1. Robeco signed the Investor Statement on Coronavirus Response**
As long-term investors, Robeco urged the business community to take what steps they could and to consider the following steps in particular: provide paid leave if necessary, prioritize health and safety of workers, maintain employment, maintain supplier/customer relationships, and exhibit financial prudence. You can find the statement here: <https://www.iccr.org/investor-statement-coronavirus-response>.
- 2. Active Ownership participated in working groups PRI and ICCR**
Two PRI working groups and one working group within the Interfaith Center for Corporate Responsibility (ICCR) have started:
 - The first PRI working group focused on short-term responses and ensuring responsible ESG approaches remain at the front of investor activities.
 - The second PRI working group focused on a future economic recovery phase which will consider how the financial system should function to ensure sustainable outcomes.
 - The ICCR group focused mainly on US companies.
- 3. Robeco calls on pharmaceutical sector to maximize efforts in combatting Covid-19**
In collaboration with other international asset managers, pension funds and insurers, Robeco has supported several initiatives that call on pharmaceutical companies to uphold their social license to operate and maximize cooperation to minimize the spread of the virus. First, Robeco engaged along with other global investors with Roche, producer of important diagnostics for test capacity to test patients for Covid-19, to call upon the company to provide the formula for creating test reagents in the labs to support the global crisis response. In addition, Robeco joined two separate efforts with the ICCR and a group of Dutch institutional investors by releasing an investor statement targeted at pharmaceuticals, asking them to adopt a collaborative approach to the design and delivery of health technologies and govern with financial prudence and a commitment to uphold their social license to operate by ensuring affordable access for all.

Report by the manager (continued)

Sustainable investing (continued)

Active ownership (continued)

Robeco's Active Ownership response to Covid-19 (continued)

4. Impact on and call to the garment industry

The Platform Living Wages Financials published a public statement outlining investors' expectations on how the garment industry should manage the Covid-19 crisis responsibly.

The International Labor Organization (ILO) has published a Call to Action by garment industry employer and worker organizations, leading brands and retailers to work with governments and financial institutions to tackle the devastating economic disruption and threat to livelihoods caused by the Covid-19 pandemic. Employers, workers, retailers and major brands involved in the collaboration will form an international working group – convened by the ILO – to implement measures to limit the damage caused by the pandemic to enterprises and livelihoods. Several companies under engagement participated in this call to action, and we also encouraged other brands to join the initiative in our public statement.

Robeco also published an article by Masja Zandbergen on ESG and the Coronavirus, “The most important ESG issue in the Coronavirus crisis is our response”, early on in the crisis that gained a good deal of traction. This article is part of our dedicated Covid-19 webpage on which we share the views and analysis of our investment teams and financial specialists.

Integration of ESG factors in investment processes

Robeco Sustainable Global Stars incorporates material ESG factors in every step of the investment process. Material ESG factors give sustainability context. ESG stands for Environmental (world around us), Social (relating to a company as employer) and Governance (relating to the structure of executive management). We believe that focusing on the most material sustainability factors improves the risk-return profile of a portfolio, leading to better informed investment decision making. Companies with a healthy corporate culture that take the environment, society and good corporate governance at heart, in the long term come out as winners. Ignoring material ESG factors leads to increasing reputational- and financial risks.

In Control Statement

Robeco Institutional Asset Management B.V. has a description of internal control, which is in line with the requirements of the Dutch Financial Supervision Act (Wet op het financieel toezicht, or 'Wft') and the Dutch Market Conduct Supervision of Financial Enterprises Decree (Besluit Gedragtoezicht financiële ondernemingen, or 'BGfo').

Findings

In 2020, the AFM has determined that Robeco must undertake a number of remedial measures to improve the processes in relation to the Money Laundering and Terrorist Financing (Prevention) Act ('Wwft') and the Sanctions Act ('Sw') in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers. The improvements have commenced in 2020 and are scheduled to be completed by the end of 2021. Subsequent to the above, and as a separate matter, the AFM has indicated that it has concerns about the way in which Robeco has set up its business operations. Robeco has engaged with the AFM to substantiate Robeco's views in this respect.

Report of internal control

Except for the aforementioned findings, we noted nothing that would lead us to conclude that operational management does not function as described in this statement. We therefore declare with reasonable assurance that the design of internal control, as mentioned in article 121 BGfo meets the requirements of the Wft and related regulations and that operational management has been effective and has functioned as described throughout the reporting year, except for the findings described above. Based upon this conclusion, we as the Board of Directors of Robeco Institutional Asset Management B.V. are committed to have a description of internal control which meets the requirements mentioned in article 121 BGfo and we will extend our ongoing compliance enhancements to incorporate required measures.

Rotterdam, 30 April 2021
The Manager

Annual financial statements

Balance Sheet

Before profit appropriation	Notes	31/12/2020	31/12/2019
		EUR' 000	EUR' 000
ASSETS			
Investments			
Equities	1	3,024,177	2,795,457
Derivatives	2	2,749	3,409
Total investments		3,026,926	2,798,866
Accounts receivable			
Receivables on securities transactions		28,829	2
Dividends receivable	3	1,107	695
Receivables on collateral provided	4	1,779	3,620
Other receivables, prepayments and accrued income	5	7,591	7,463
Total accounts receivable		39,306	11,780
Other assets			
Cash and cash equivalents	6	8,452	9,829
LIABILITIES			
Investments			
Derivatives	2	2,310	3,443
Accounts payable			
Interest payable		11	14
Payables on securities transactions		1	1
Payable to affiliated parties	8	2,227	2,059
Other liabilities, accruals and deferred income	9	3,769	2,974
Total accounts payable		6,008	5,048
Accounts receivable and other assets less accounts payable		41,750	16,561
Assets less liabilities		3,066,366	2,811,984
Composition of shareholders' equity			
Issued capital	10, 11	55,976	58,885
Revaluation reserve	10	2,749	3,409
Other reserve	10	2,552,166	2,008,278
Undistributed earnings	10	455,475	741,412
Shareholders' equity		3,066,366	2,811,984

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

Annual financial statements (continued)

Profit and loss account

	Notes	2020 EUR' 000	2019 EUR' 000
Investment income	12	45,004	51,432
Unrealized gains	1, 2	383,799	600,456
Unrealized losses	1, 2	(269,871)	(70,108)
Realized gains	1, 2	524,857	315,100
Realized losses	1, 2	(204,062)	(132,792)
Receipts on surcharges and discounts on issuance and repurchase of own shares		295	252
Total operating income		480,022	764,340
Costs	16, 17		
Management fee	13	20,459	19,587
Service fee	13	4,068	3,083
Other costs	15	20	258
Total operating expenses		24,547	22,928
Net result		455,475	741,412

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

Annual financial statements (continued)

Cash flow statement

	Notes	2020 EUR' 000	2019 EUR' 000
Cash flow from investment activities			
Net result		455,475	741,412
Unrealized changes in value	1, 2	(113,928)	(530,348)
Realized changes in value	1, 2	(320,795)	(182,308)
Purchase of investments	1, 2	(1,513,526)	(1,022,869)
Sale of investments	1, 2	1,715,124	1,177,259
Increase (-)/decrease (+) accounts receivable	3, 4, 5	(27,014)	(4,892)
Increase (+)/decrease (-) accounts payable	8, 9	71	349
		195,407	178,603
Cash flow from financing activities			
Received for shares subscribed		159,342	53,398
Paid for repurchase of own shares		(302,608)	(298,009)
Dividend paid		(57,827)	(62,102)
Increase (-)/decrease (+) accounts receivable	5	(512)	(277)
Increase (+)/decrease (-) accounts payable	9	889	(665)
		(200,716)	(307,655)
Net cash flow		(5,309)	(129,052)
Currency and cash revaluation		3,932	(1,583)
Increase (+)/decrease (-) cash		(1,377)	(130,635)
Cash at opening date	6	9,829	140,464
Total cash at opening date		9,829	140,464
Cash at closing date	6	8,452	9,829
Total cash at closing date		8,452	9,829

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

Notes

General

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

The original financial statements were drafted in Dutch. This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter will prevail.

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

Share class A: Robeco Sustainable Global Stars Equities Fund

Share class B: Robeco Sustainable Global Stars Equities Fund - EUR G

Accounting principles

General

The financial statements are produced according to the going concern assumption. Unless stated otherwise, items shown in the financial statements are stated at nominal value and expressed in thousands of euros. Assets and liabilities are recognized or derecognized in the balance sheet on the transaction date.

Change of accounting principles

Due to a change in regulation, any unrealized gains on over-the-counter derivatives without a frequent market quotation will be added to a revaluation reserve with effect from 1 January 2019. The revaluation reserve is not available for distribution of dividend. After expiration or sale of the contract, the unrealized gains will be realized and released to the other reserves to be available for distribution. Previously, these unrealized gains were part of the other reserves directly. The comparative figures over 2019 have been changed accordingly, reallocating an amount of EUR 3,409 thousand from the other reserves to the revaluation reserve. This change has no effect on the fund's assets or the result.

Liquidity of ordinary shares

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

Financial investments

Financial investments are classified as trading portfolio and are valued at fair value, unless stated otherwise. The fair value of stocks is determined on the basis of market prices and other market quotations at closing date. For derivatives and futures, the value is based on the market price and other market quotations at closing date. For forward exchange contracts, internal valuation models are used and the value is based on quoted currency rates and reference interest rates at closing date. Transaction costs incurred in the purchase and sale of investments are included in the purchase or sale price as appropriate. Transaction costs incurred in the purchase of investments are therefore recognized in the first period of valuation as part of the value changes in the profit and loss account. Transaction costs incurred in the sale of investments are part of the realized results in the profit and loss account. Changes to the valuation model for forward currency contracts may lead to a different valuation. Derivative instruments with a negative fair value are recognized under the derivatives item under investments on the liability side of the balance sheet.

Recognition and derecognition of items in the balance sheet

Investments are recognized or derecognized in the balance sheet on the transaction date. Equities and derivatives are recognized in the balance sheet on the date the purchase transaction is concluded. Equities are derecognized in the balance sheet on the date the sale transaction is concluded. Derivatives are fully or partially derecognized in the balance sheet on the date the sales transaction is concluded or if the contract is settled on the expiry date. Accounts receivable and payable are recognized in the balance sheet on the date that contractual rights or obligations with respect to the receivables or payables arise. Receivables and payables are derecognized in the balance sheet when, as a result of a transaction, the contractual rights or obligations with respect to the receivables or payables no longer exist.

Presentation of derivatives

Derivatives are recognized in the balance sheet at fair value. The presentation of the fair value is based on the liabilities and receivables per contract. The receivables are reported under assets and obligations are reported under liabilities. The value of the derivatives' underlying instruments is not included on the balance sheet. Where applicable, the underlying value of derivatives is included in the information provided on the currency and concentration risk.

Notes (continued)

Accounting principles (continued)

Cash and cash equivalents

Cash and cash equivalents are carried at nominal value. If cash is not freely disposable, this is factored into the valuation.

Cash expressed in foreign currencies is converted into the functional currency as at the balance sheet date at the exchange rate applicable on that day. Please refer to the currency table on page 34.

Accounts receivable

Receivables are valued after initial recognition at amortized cost based on the effective interest method, less impairments. Given the short-term character of the receivables, the value is equal to the nominal value.

Debt

Non-current debts and other financial obligations are valued, after initial recognition, at the amortized cost price based on the effective interest method. Given the short-term character of the debt, the value is equal to the nominal value.

Foreign currencies

Transactions in currencies other than the euro are converted into euros at the exchange rates valid at the time. Assets and liabilities expressed in other currencies are converted into euros at the exchange rate prevailing at balance-sheet date. The exchange rate differences thus arising or exchange rate differences arising on settlement are recognized in the profit and loss account. Investments in foreign currencies are converted into euros at the rate prevailing on the balance sheet date. This valuation is part of the valuation at fair value. Exchange rate differences are recognized in the profit and loss account under changes in value.

Securities lending

Investments for which the legal ownership has been transferred by the fund for a given period of time as a result of securities-lending transactions, will continue to be included in the fund's Balance sheet during this period, since their economic advantages and disadvantages, in the form of investment income and changes in value, will be added to or deducted from the fund's result. The way in which collateral ensuing from securities-lending transactions is reported depends on the nature of this collateral. If the collateral is received in the form of investments these are not recognized in the balance sheet as the economic advantages and disadvantages relating to the collateral will be for the account and risk of the counterparty. If the collateral is received in cash it will be recognized in the balance sheet as in this case the economic advantages and disadvantages will be for the account and risk of the fund.

Principles for determining the result

General

Investment results are determined by investment income, rises or declines in stock prices, rises or declines in foreign exchange rates and results of transactions in currencies, including forward transactions and other derivatives. Results are allocated to the period to which they relate and are accounted for in the profit and loss account.

Recognition of income

Income items are recognized in the profit and loss account when an increase of the economic potential associated with an increase of an asset or a reduction of a liability has occurred and the amount of this can be reliably established.

Recognition of expenses

Expense items are recognized when a reduction of the economic potential associated with a reduction of an asset or an increase of a liability has occurred and the amount of this can be reliably established.

Investment income

This includes the net cash dividends declared during the year under review, the nominal value of stock dividends declared, interest received and paid and proceeds. Accrued interest at balance sheet date is taken into account.

Changes in value

Realized and unrealized capital gains and losses on securities and currencies are presented under this heading. Realization of capital gains takes place on selling as the difference between the realizable sales value and the average historical cost price. Unrealized capital gains relate to value changes in the portfolio between the beginning of the financial year and the balance sheet date, corrected by the realized gains when positions are sold or settlement takes place.

Notes (continued)

Principles for cash flow statement

General

This cash flow statement has been prepared using the indirect method. Cash comprises items that may or may not be directly callable. Accounts payable to credit institutions include debit balances in bank accounts.

Attribution to share classes

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

Risk management

The presence of risks is inherent to 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 (RIAM) ensures that risks are effectively controlled via the three-lines-of-defense model: RIAM management (first line), the Compliance and Risk Management departments (second line) and the Internal Audit department (third line).

The management of RIAM has primary responsibility 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 prospectus, 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 Internal Audit department carries out audits to assess the effectiveness of internal control.

RIAM 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. Control 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. Automation is a key resource in this regard and uses systems that can be seen as the market standard for financial institutions. The use of automation increases the risk associated with IT. This risk can be divided into three categories. The risk of access by unauthorized persons is managed using preventive and detective measures to control access to both the network and systems and data. Processes such as change management and operational management provide for monitoring of an operating system landscape. Finally, business continuity measures are in place to limit the risk of breakdown as far as possible and to recover operational status as quickly as possible in the event of a disaster. The effectiveness of these measures is tested periodically by means of internal and external monitoring.

Compliance risk

Compliance risk is the risk of sanctions, financial loss or reputation damage as a result of non-compliance with the laws and regulations applicable to the activities of Robeco and the funds it manages. Robeco's activities – collective and individual portfolio management – are subject to European and national 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). It is in the interest of investors in Robeco-managed funds that Robeco complies with all the applicable laws and regulations. Robeco has implemented a structured process with clear responsibilities with the aim of accurately implementing new laws and regulations in a timely fashion.

Changes in the field of legislation and regulation that could affect the funds managed by Robeco also took place in 2020. An example of this are the extensive reporting requirements under the EU Regulation on reporting and transparency of securities financing transactions (SFTR), for funds involved in such transactions. In the implementation, Robeco closely aligned with relevant trade associations, who were focusing heavily on industry best practices in relation to SFTR reporting, and its specialist service providers involved in regulatory reporting on behalf of the funds.

Robeco made sure its funds and governance arrangements are designed to comply with new ESMA guidelines which were launched in the course of 2020, such as the ESMA guidelines on liquidity stress testing in UCITS and AIFs and ESMA guidelines on the MiFID II compliance function (also addressed to UCITS management companies and AIFMs that provide investment services).

Robeco's policies and methodologies were already well in line with the majority of these new ESMA guidelines. Where needed or appropriate, disclosures, policies and processes were adjusted to ensure adequate implementation of the guidelines.

Notes (continued)

Risk management (continued)

Compliance risk (continued)

In 2020, the AFM has determined that Robeco must undertake a number of remedial measures to improve the processes in relation to the Money Laundering and Terrorist Financing (Prevention) Act ('Wwft') and the Sanctions Act ('Sw') in Robeco Retail, Robeco's on-line execution-only platform for Dutch retail customers. The improvements have commenced in 2020 and are scheduled to be completed by the end of 2021. Subsequent to the above, and as a separate matter, the AFM has indicated that it has concerns about the way in which Robeco has set up its business operations. Robeco has engaged with the AFM to substantiate Robeco's views in this respect.

The new EU regulatory framework on sustainable finance, consisting of multiple pieces of legislation, including the new Sustainable Finance Disclosure Regulation (SFDR), Taxonomy Regulation and amendments to existing frameworks (including the UCITS Directive and AIFMD), will introduce 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. In 2020, Robeco has prepared for this new framework, which will enter into force in different phases, from March 2021 to January 2023.

The aforementioned developments were adequately addressed in exceptional and challenging times, with the Covid-19 pandemic affecting clients, employees, service providers and financial markets. Robeco has proved its resilience as we were perfectly able to ensure continuity of operations globally. 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-based environment. Compliance with rules and regulations and the associated required conduct have been key themes for Robeco and will continue to be so.

Developments Financial Risk Management

Robeco is continuously working to enhance its risk management methodologies, infrastructure and processes.

Over the past year, Financial Risk Management focused on the topic Liquidity Risk and Sustainability Risk. The steps taken were in anticipation on the new ESMA Liquidity Stress Testing Requirements and the upcoming Sustainable Finance Disclosure Regulation (SFDR) and Task Force on Climate Related Financial Disclosures (TCFD) guidelines.

In September 2019 ESMA published their final guidelines on Liquidity Stress Testing. Over the past year, Financial Risk Management enhanced the existing liquidity risk framework to incorporate the new ESMA requirements. Stress Testing was widened to cover both historical and hypothetical scenarios for asset and funding liquidity. The implemented stress tests are fund-specific and allow us to identify key liquidity risk factors for each fund. Liquidity Stress Testing was also implemented on aggregate level. Historical scenarios comprise different phases of Global Financial Crisis (2008-2009), as well as replication of Covid-19 liquidity crunch in March 2020. The framework is applicable at all stages of a portfolio's lifecycle and has direct link to contingency planning.

Financial Risk Management drafted a sustainability risk policy that prescribes the way in which portfolio sustainability risks are monitored from the second line of defense. It entails a framework in which risk limits and targets are monitored and an active dialogue takes place between the first and second line of defense. Within the sustainability risk policy, special attention goes to climate related risks. The sensitivity of portfolios to climate risks are measured and monitored by using scenario analysis and a climate risk indicator based on the environmental footprint of companies. The policy is compliant with the upcoming SFDR regulation and covers all aspects that are defined in TCFD guidance. Alongside with the development of this policy, FRM is collaborating with other departments to integrate sustainability risk data in all systems within Robeco.

In anticipation of Brexit, the majority of our trading counterparties decided to relocate from the United Kingdom to mainland Europe. All new trading counterparties have been reviewed by risk management, in accordance with their trading role and the requirements outlined in the counterparty risk policy

Risks relating to financial instruments

Investment risk

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

Market risk

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

Notes (continued)

Risks relating to financial instruments (continued)

Market risk (continued)

Price risk

The net asset value of the fund is sensitive to market movements. In addition, investors should be aware of the possibility that the value of investments may vary as a result of changes in political, economic or market circumstances, as well as changes in an individual business situation. The entire portfolio is exposed to price risk. The degree of price risk that the fund runs depends among other things on the risk profile of the fund's portfolio. More detailed information on the risk profile of the fund's portfolio can be found in the section on Return and risk on page 9.

Currency risk

All or part of the securities portfolio of the fund may be invested in currencies, or financial instruments denominated in currencies other than the euro. As a result, fluctuations in exchange rates may have both a negative and a positive effect on the investment result of the fund. Currency risks may be hedged with currency forward transactions and currency options. Currency risks can be limited by applying relative or absolute currency concentration limits.

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

The table below shows the gross and net exposure to the various currencies, including cash, receivables and debts. Further information on the currency policy can be found on page 8.

Currency exposure	31/12/2020	31/12/2020	31/12/2020	31/12/2020	31/12/2019
	Gross position	Exposure to	Net position	% of	% of
	EUR' 000	forward	EUR' 000	net assets	net assets
		exchange			
		contracts			
		EUR' 000			
AUD	–	66,788	66,788	2.18	2.32
CAD	–	94,797	94,797	3.09	3.08
CHF	57,271	32,269	89,540	2.92	3.58
DKK	87,619	(56,711)	30,908	1.01	0.78
EUR	316,193	(15,845)	300,348	9.80	10.56
GBP	95,901	39,036	134,937	4.40	5.44
HKD	85,609	(57,738)	27,871	0.91	1.20
JPY	65,900	174,032	239,932	7.82	8.02
KRW	104,876	–	104,876	3.42	–
NOK	–	6,069	6,069	0.20	0.23
SEK	93,757	(59,879)	33,878	1.11	0.77
SGD	8	8,110	8,118	0.26	0.55
TWD	89,907	–	89,907	2.93	1.00
USD	2,068,886	(230,489)	1,838,397	59.95	62.47
Total	3,065,927	439	3,066,366	100.00	100.00

All outstanding forward currency contracts have a remaining life of less than one year.

Concentration risk

Based on its investment policy, the fund may invest in financial instruments from issuing institutions that operate mainly within the same sector or region, or in the same market. In the case of concentrated investment portfolios, events within the sectors, regions or markets in which they invest have a more pronounced effect on the fund assets than in less concentrated investment portfolios. Concentration risks can be limited by applying relative or absolute country or sector concentration limits.

Notes (continued)

Risks relating to financial instruments (continued)

Market risk (continued)

Concentration risk (continued)

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

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

Concentration risk by country

		31/12/2020	31/12/2020	31/12/2019
	Equities EUR' 000	Total exposure EUR' 000	% of net assets	% of net assets
Bermuda	46,254	46,254	1.51	–
Cayman Islands	56,782	56,782	1.85	–
Denmark	87,457	87,457	2.85	2.47
Finland	111,434	111,434	3.63	4.81
France	62,088	62,088	2.03	4.06
Germany	61,707	61,707	2.01	3.16
Hong Kong	–	–	–	2.92
Ireland	163,777	163,777	5.34	6.12
Japan	65,899	65,899	2.15	–
Netherlands	72,799	72,799	2.37	1.19
South Korea	104,520	104,520	3.41	–
Sweden	93,756	93,756	3.06	1.08
Switzerland	54,984	54,984	1.79	6.68
Taiwan	89,275	89,275	2.91	0.97
United Kingdom	95,888	95,888	3.13	6.50
United States of America	1,857,557	1,857,557	60.58	59.45
Total	3,024,177	3,024,177	98.62	99.41

The sector concentrations are shown below.

Concentration risk by sector

	31/12/2020	31/12/2019
	% of net assets	% of net assets
Communication Services	11.96	17.20
Consumer Discretionary	10.61	6.12
Consumer Staples	1.66	6.11
Energy	3.63	7.42
Financials	11.37	9.94
Health Care	14.29	14.85
Industrials	10.62	8.78
Information Technology	27.37	25.71
Materials	7.11	3.28
Other assets and liabilities	1.38	0.59
Total	100.00	100.00

Leverage risk

The fund may make use of derivative instruments, techniques or structures. They may be used for hedging risks, and for achieving investment objectives and ensuring efficient portfolio management. These instruments may be leveraged, which will increase the fund's sensitivity to market fluctuations. The risk of derivative instruments, techniques or structures will always be limited within the conditions of the fund's integral risk management. The degree of leverage in the fund, measured using the gross method (where 0% exposure indicates no leverage) over the year, as well as on the balance sheet date, is shown in the table below. The gross method means that the absolute underlying value of the long positions and the short positions in derivatives are added up and represented as a percentage of the assets.

	Lowest exposure during the reporting year	Highest exposure during the reporting year	Average exposure during the reporting year	Exposure at the reporting year end
Robeco Sustainable Global Stars Equities Fund N.V.	25%	88%	36%	30%

Notes (continued)

Risks relating to financial instruments (continued)

Credit risk

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

	31/12/2020		31/12/2019	
	EUR' 000	% of net assets	EUR' 000	% of net assets
Unrealized gain on derivatives	2,749	0.09	3,409	0.12
Accounts receivable	39,306	1.28	11,780	0.42
Cash and cash equivalents	8,452	0.28	9,829	0.35
Total	50,507	1.65	25,018	0.89

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

Risk of lending financial instruments

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

All counterparties used in the securities lending process are pre-approved by Robeco. The approval process takes into account the entities credit rating (if available) and whether the counterparty is subject to prudential regulation. Any relevant incidents involving the entity are also taken into account.

The fund accepts collateral by selected issuers in the form of:

- bonds issued (or guaranteed) by governments of OECD member states;
- local government bonds with tax raising authority;
- corporate bonds that are FED or ECB eligible collateral;
- bonds of supranational institutions and undertakings with an EU, regional or world-wide scope;
- stocks listed on the main indexes of stock markets as disclosed in the prospectus;
- cash.

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

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

Positions lent out

Type of instrument	31/12/2020			31/12/2019		
	Amount in EUR' 000	% of portfolio	% of net assets	Amount in EUR' 000	% of portfolio	% of net assets
Shares lent out	–	–	–	59,118	2.11	2.10
Total	–	–	–	59,118	2.11	2.10

Notes (continued)

Risks relating to financial instruments (continued)

Risk of lending financial instruments (continued)

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

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

Counterparties

	Domicile of counterparty	Manner of settlement and clearing	31/12/2020		31/12/2019	
			Positions lent out EUR' 000	Collateral received EUR' 000	Positions lent out EUR' 000	Collateral received EUR' 000
BNP Paribas	France	Tripartite ¹	–	–	6,430	6,786
Goldman Sachs	United States	Tripartite ¹	–	–	11,651	12,514
Merrill Lynch	United States	Tripartite ¹	–	–	3,216	3,387
The Bank Of Nova Scotia	Canada	Tripartite ¹	–	–	2,983	3,331
UBS	Switzerland	Tripartite ¹	–	–	34,838	38,993
Total			–	–	59,118	65,011

¹ Tripartite means that the collateral is in the custody of an independent third party.

This collateral is not included on the balance sheet.

The table below contains a breakdown of collateral received according to type. All securities received have an open-ended term.

Collateral by type

	Currency	Rating of government bonds	31/12/2020	31/12/2019
			Market value in EUR' 000	Market value in EUR' 000
Government bonds	EUR	Investment grade	–	7,995
Government bonds	GBP	Investment grade	–	312
Government bonds	JPY	Investment grade	–	1,588
Government bonds	USD	Investment grade	–	15,633
Real-estate funds listed in OECD countries	USD	–	–	433
Stocks listed in non-OECD countries	GBP	–	–	65
Stocks listed in non-OECD countries	HKD	–	–	1,761
Stocks listed in non-OECD countries	SGD	–	–	239
Stocks listed in non-OECD countries	USD	–	–	82
Stocks listed in OECD countries	AUD	–	–	1,032
Stocks listed in OECD countries	CAD	–	–	439
Stocks listed in OECD countries	CHF	–	–	2,013
Stocks listed in OECD countries	DKK	–	–	99
Stocks listed in OECD countries	EUR	–	–	6,621
Stocks listed in OECD countries	GBP	–	–	17,360
Stocks listed in OECD countries	JPY	–	–	1,150
Stocks listed in OECD countries	USD	–	–	8,189
Total			–	65,011

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

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

Notes (continued)

Risks relating to financial instruments (continued)

Risk of lending financial instruments (continued)

Income from securities lending

	2020			2019		
	Gross revenues in EUR' 000	Fee paid to J.P. Morgan in EUR' 000	Net fund revenues in EUR' 000	Gross revenues in EUR' 000	Fee paid to J.P. Morgan in EUR' 000	Net fund revenues in EUR' 000
Shares lent out	63	16	47	82	20	62
Total	63	16	47	82	20	62

Liquidity risk

We distinguish between Asset Liquidity Risk and Funding Liquidity risk, which are closely connected:

Asset liquidity risk arises when transactions cannot be executed in a timely fashion at quoted market prices and/or at acceptable transaction cost levels due to the size of the trade. Or in more extreme cases, when they cannot be conducted at all. Asset liquidity risk is a function of transaction size, transaction time and transaction cost.

Funding liquidity risk arises when the redemption requirements of clients or other liabilities cannot be met without significantly impacting the value of the portfolio. Funding liquidity risk will only arise if there is also Asset liquidity risk.

Manager

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

Depository

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

Liability of the depository

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

Affiliated parties

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

Notes to the balance sheet

1. Equities

Movements in the stock portfolio

	2020	2019
	EUR' 000	EUR' 000
Book value (fair value) at opening date	2,795,457	2,236,227
Purchases	1,511,649	1,022,869
Sales	(1,715,124)	(1,163,635)
Unrealized gains	113,238	529,636
Realized gains	318,957	170,360
Book value (fair value) at closing date	3,024,177	2,795,457

EUR (122,363) thousand of the realized and unrealized results on the equity portfolio relates to exchange rate differences.

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

Transaction costs

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

	2020	2019
	EUR' 000	EUR' 000
Equities	908	702

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

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

2. Derivatives

Movements in derivatives

	Forward Currency Exchange Contracts	
	2020	2019
	EUR' 000	EUR' 000
Book value (fair value) at opening date	(34)	(653)
Expirations	1,877	(13,624)
Unrealized gains	473	619
Realized (losses) / gains	(1,877)	13,624
Book value (fair value) at closing date	439	(34)

The presentation of derivatives on the balance sheet is based on the liabilities and receivables per contract.

Presentation of derivatives in the balance sheet

	Assets		Liabilities		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000	EUR' 000
Forward Currency Exchange Contracts	2,749	3,409	2,310	3,443	439	(34)
Book value (fair value) at closing date	2,749	3,409	2,310	3,443	439	(34)

The breakdown of the forward currency exchange contracts according to currency is given under the information on currency risk under the information on Risks relating to financial instruments.

3. Dividends receivable

These are receivables arising from net dividends declared but not yet received.

Notes to the balance sheet (continued)

4. Receivables on collateral provided

This refers to the following collateral provided to cover positions in derivatives.

Collateral provided

Counterparty	Type	Currency	31/12/2020	31/12/2019
			EUR' 000	EUR' 000
Cooperatieve Rabobank	Cash	EUR	640	–
Citi	Cash	EUR	1,139	3,620
Total			1,779	3,620

5. Other receivables, prepayments and accrued income

This concerns:

	31/12/2020	31/12/2019
	EUR' 000	EUR' 000
Dividend tax to be reclaimed	6,433	6,817
Sub-total (investment activities)	6,433	6,817
Receivables from issuance of new shares	1,158	646
Sub-total (financing activities)	1,158	646
Total	7,591	7,463

6. Cash and cash equivalents

This concerns:

	31/12/2020	31/12/2019
	EUR' 000	EUR' 000
Freely available cash	8,452	9,829
Total	8,452	9,829

7. Payable to credit institutions

This concerns temporary debit balances on bank accounts caused by investment transactions.

8. Payable to affiliated parties

This concerns the following payables to RIAM:

	31/12/2020	31/12/2019
	EUR' 000	EUR' 000
Payable for management fee	1,837	1,779
Payable for service fee	390	280
Total	2,227	2,059

9. Other liabilities, accruals and deferred income

This concerns:

	31/12/2020	31/12/2019
	EUR' 000	EUR' 000
Costs payable	–	94
Sub-total (investment activities)	–	94
Dividends payable	509	615
Payable for acquisition of own shares	3,260	2,265
Sub-total (financing activities)	3,769	2,880
Total	3,769	2,974

Notes to the balance sheet (continued)

10. Shareholders' equity

Composition and movements in shareholders' equity

	2020 EUR' 000	2019 EUR' 000
Issued capital Robeco Sustainable Global Stars Equities Fund		
Situation on opening date	27,819	31,350
Received on shares issued	1,639	586
Paid for shares repurchased	(3,457)	(4,117)
Situation on closing date	26,001	27,819
Issued capital Robeco Sustainable Global Stars Equities Fund - EUR G		
Situation on opening date	31,066	33,230
Received on shares issued	1,717	679
Paid for shares repurchased	(2,808)	(2,843)
Situation on closing date	29,975	31,066
Revaluation reserve		
Situation on opening date	3,409	5,284
Withdrawal	(660)	(1,875)
Situation on closing date	2,749	3,409
Other reserves		
Situation on opening date	2,008,278	2,384,550
Received on shares issued	155,986	52,133
Paid for shares repurchased	(296,343)	(291,049)
Addition of result in previous financial year	683,585	(139,231)
Contribution to revaluation reserve	660	1,875
Situation on closing date	2,552,166	2,008,278
Undistributed earnings		
Situation on opening date	741,412	(77,129)
Robeco Sustainable Global Stars Equities Fund - dividend paid	(27,596)	(29,918)
Robeco Sustainable Global Stars Equities Fund - EUR G - dividend paid	(30,231)	(32,184)
Addition to other reserves	(683,585)	139,231
Net result for financial year	455,475	741,412
Situation on closing date	455,475	741,412
Situation on closing date	3,066,366	2,811,984

The authorized share capital amount of EUR 300 million is divided into 299,999,990 ordinary shares and 10 priority shares with a nominal value of EUR 1 each. The priority shares have already been issued. The ordinary shares are divided into 150,000,000 Robeco Sustainable Global Stars Equities Fund shares and 149,999,990 Robeco Sustainable Global Stars Equities Fund - EUR G shares. Fees are not included in the share premium reserve.

Special controlling rights under the Articles of Association

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

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

Notes to the balance sheet (continued)

10. Shareholders' equity (continued)

Survey of movements in net assets

	2020 EUR' 000	2019 EUR' 000
Assets at opening date	2,811,984	2,377,285
Company shares issued	159,342	53,398
Company shares repurchased	(302,608)	(298,009)
Situation on closing date	2,668,718	2,132,674
Investment income	45,004	51,432
Receipts on surcharges and discounts on issuance and repurchase of own shares	295	252
Management fee	(20,459)	(19,587)
Service fee	(4,068)	(3,083)
Other costs	(20)	(258)
	20,752	28,756
Changes in value	434,723	712,656
Net result	455,475	741,412
Dividend paid	(57,827)	(62,102)
Assets at closing date	3,066,366	2,811,984

11. Assets, shares outstanding and net asset value per share

	31/12/2020	31/12/2019	31/12/2018
Robeco Sustainable Global Stars Equities Fund			
Fund assets in EUR' 000	1,358,934	1,273,013	1,111,046
Situation of number of shares issued at opening date	27,819,905	31,350,646	34,327,175
Shares issued in financial year	1,638,885	586,494	806,061
Shares repurchased in financial year	(3,457,036)	(4,117,235)	(3,782,590)
Number of shares outstanding	26,001,754	27,819,905	31,350,646
Net asset value per share in EUR	52.26	45.76	35.44
Dividend paid per share during the financial year	1.00	1.00	1.00
Robeco Sustainable Global Stars Equities Fund - EUR G			
Fund assets in EUR' 000	1,707,432	1,538,971	1,266,239
Situation of number of shares issued at opening date	31,065,857	33,229,858	34,506,993
Shares issued in financial year	1,716,561	679,300	1,105,532
Shares repurchased in financial year	(2,807,666)	(2,843,301)	(2,382,667)
Number of shares outstanding	29,974,752	31,065,857	33,229,858
Net asset value per share in EUR	56.96	49.54	38.11
Dividend paid per share during the financial year	1.00	1.00	1.00

Notes to the profit and loss account

Income

12. Investment income

This concerns:

	2020	2019
	EUR' 000	EUR' 000
Dividends received*	45,229	51,564
Interest	(272)	(194)
Net revenues from securities lending	47	62
Total	45,004	51,432

* This concerns net dividends received. Factored into this amount as withholding tax reclaimable from the country that withheld the tax plus withholding tax that is subject to a remittance reduction from the Dutch tax authorities. The remittance reduction is offset against the dividend tax payable on dividends distributed by the fund.

Costs

13. Management fee and service fee

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

Management fee and service fee specified in the prospectus

	Robeco Sustainable Global Stars Equities Fund	Robeco Sustainable Global Stars Equities Fund - EUR G
	%	%
Management fee	1.00	0.50
Service fee ^{1,2}	0.16	0.16

¹ For the share classes, the service fee is 0.16% per year on assets up to EUR 1 billion, 0.14% on assets above EUR 1 billion and 0.12% on assets above EUR 5 billion.

² Until 1 April 2020, the service fee was 0.12% per year on assets up to EUR 1 billion, 0.10% on assets above EUR 1 billion, and 0.08% on assets above EUR 5 billion.

The management fee covers all current costs resulting from the management and marketing of the fund. If the manager outsources operations to third parties, any costs associated with this will also be paid from the management fee. The management fee for the Robeco Sustainable Global Stars Equities Fund share class also include the costs related to registering participants in this share class.

The service fee paid to RIAM covers the administration costs, the costs of the external auditor, other external advisers, regulators, costs relating to reports required by law, such as the annual and semi-annual reports, and the costs relating to the meetings of shareholders. The costs for the external auditor incurred by the fund are paid by RIAM from the service fee. The fund's result therefore does not include the costs for the external auditor. Of the costs paid by RIAM for the external auditor, EUR 10 thousand related to the audit of Robeco Sustainable Global Stars Equities Fund N.V. The other costs paid by RIAM for the external auditor relate exclusively to assurance activities for the regulator that the fund complies with the UCITS provisions and assurance activities for the examination of the prospectus.

14. Performance fee

Robeco Sustainable Global Stars Equities Fund N.V. is not subject to a performance fee.

15. Other costs

This concerns:

	2020	2019
	EUR' 000	EUR' 000
Custody fee	(10)	115
Costs for fund agent	4	20
Depositary fee	26	123
Total	20	258

Notes to the profit and loss account (continued)

Costs (continued)

16. Ongoing charges

	Robeco Sustainable Global Stars Equities Fund		Robeco Sustainable Global Stars Equities Fund - EUR G	
	2020 %	2019 %	2020 %	2019 %
Management fee	1.00	1.00	0.50	0.50
Service fee ¹	0.15	0.12	0.14	0.12
Other cost ²	0.00	0.01	0.00	0.01
Proportion of income on securities lending payable	0.00	0.00	0.00	0.00
Total	1.15	1.13	0.64	0.63

¹ Until 1 April 2020, the service fee was 0.12% per year on assets up to EUR 1 billion, 0.10% on assets above EUR 1 billion, and 0.08% on assets above EUR 5 billion.

² Until 1 April 2020, the Custody fee and bank cost was 0.02%, Costs for fund agent was 0.02% and Depositary fee was 0.01%. From 1 April 2020, Service fee covers all the costs.

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

The proportion of securities-lending income payable as defined in the Information on the Risks of lending Financial Instruments on page 24 is included separately in the ongoing charges.

17. Maximum costs

For some cost items, the fund's prospectus specifies a maximum percentage of average net assets. The table below compares these maximum percentages with the costs actually charged.

	2020 EUR' 000	2020 % of net assets	Maximum as specified in the prospectus ¹
Management fee for Robeco Sustainable Global Stars Equities Fund	12,769	1.00	1.00
Service fee for Robeco Sustainable Global Stars Equities Fund	1,864	0.15	0.16
Management fee for Robeco Sustainable Global Stars Equities Fund - EUR G	7,690	0.50	0.50
Service fee for Robeco Sustainable Global Stars Equities Fund - EUR G	2,204	0.14	0.16
Custody fee and bank cost [*]	(10)	0.00	0.00
Costs for fund agent [*]	4	0.00	0.00
Depositary fee [*]	26	0.00	0.00

¹ The prospectus also specifies a maximum percentage of the total cost. This amounts to 1.46% for the Robeco Sustainable Global Stars Equities Fund share class and 0.96% for the Robeco Sustainable Global Stars Equities Fund - EUR G share class.

^{*} Until 1 April 2020, the Custody fee and bank cost was 0.02%, Costs for fund agent was 0.02% and Depositary fee was 0.01%. From 1 April 2020, Service fee covers all the costs.

18. Turnover rate

The turnover rate for the reporting period was 98% (for the previous reporting period it was 69%). This rate shows the rate at which the fund's portfolio is turned over and is a measure of the incurred transaction costs resulting from the portfolio policy pursued and the ensuing investment transactions. The turnover rate is determined by expressing the amount of the turnover as a percentage of the average fund assets. The average fund assets are calculated on a daily basis. The amount of the turnover is determined by the sum of the purchases and sales of investments less the sum of issuance and repurchase of own shares. The sum of issues and repurchases of own participating units is determined as the balance of all issues and repurchases in the fund.

19. Transactions with affiliated parties

During the reporting period the fund paid RIAM the following amounts in management fee and service fees:

	Counterparty	2020 EUR' 000	2019 EUR' 000
Management fee	RIAM	20,459	19,587
Service fee	RIAM	4,068	3,083

Notes to the profit and loss account (continued)

Costs (continued)

20. Fiscal status

The fund has the status of a fiscal investment institution. A detailed description of its fiscal status is included in the general information of the management report on page 5.

21. Proposed profit appropriation

For the financial year 2020, dividend distribution will take place on the basis of the fiscal result in order to fulfill the fiscal distribution obligation. Based on the number of shares outstanding on 31 December 2020 it has been proposed to determine the dividend per share for the financial year 2020 at:

- EUR 1.00 per share (previous year: EUR 1.00) for the Robeco Sustainable Global Stars Equities Fund share class.
- EUR 1.00 per share (previous year: EUR 1.00) for the Robeco Sustainable Global Stars Equities Fund - EUR G share class.

If necessitated by legislation and regulations or changes in the number of shares outstanding, an amended dividend proposal will be submitted to the General Meeting of Shareholders. If this proposal is accepted, the dividend will be payable according to the schedule in the table below.

Shareholders will be offered the opportunity to reinvest the dividend (less dividend tax) in Robeco Sustainable Global Stars Equities Fund - EUR G and Robeco Sustainable Global Stars Equities Fund shares. Costs charged by distributors to their customers for this will be borne by the shareholder. In some countries and with some distributors, reinvestment will not be possible for technical reasons.

Agenda	Dividend dates (Transfer Agent)	Dividend dates (Euronext)	Explanation
Record date	Monday, June 7, 2021	Thursday, June 10, 2021	Participating units issued up to Dealing Day 7 June 2021 are entitled for the dividend distribution. Euronext will use the settlement positions as of 10 June 2021.
Ex-dividend date	Tuesday, June 8, 2021	Wednesday, June 9, 2021	The NAV per share will be quoted ex-dividend as of the Dealing Day 8 June 2021. The NAV per share of the Dealing Day 8 June 2021 will be published on 9 June 2021. Euronext will stamp this NAV with date 9 June 2021.
Application for reinvestment	Wednesday, June 23, 2021	Wednesday, June 23, 2021	Deadline for reinvestment application.
Reinvestment date	Friday, June 25, 2021	Monday, June 28, 2021	The Dealing Day of reinvestment will be 25 June 2021. Execution at Euronext will take place on 28 June 2021.
Payment date cash and shares	Wednesday, June 30, 2021	Wednesday, June 30, 2021	

22. Register of Companies

The fund has its registered office in Rotterdam and is listed in the Trade Register of the Chamber of Commerce in Rotterdam, under number 24041906.

Currency table

Exchange rates

	31/12/2020	31/12/2019
	EUR = 1	EUR = 1
AUD	1.5856	1.5968
CAD	1.5588	1.4556
CHF	1.0816	1.0870
DKK	7.4435	7.4725
GBP	0.8951	0.8473
HKD	9.4872	8.7463
JPY	126.3254	121.9877
KRW	1,329.1423	1,298.1151
NOK	10.4760	9.8637
SEK	10.0485	10.5078
SGD	1.6171	1.5094
TWD	34.3793	33.6492
USD	1.2235	1.1225

Schedule of Investments

As at 31 December 2020

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Equities				
<i>Bermuda</i>				
Axalta Coating Systems Ltd.	USD	1,982,289	46,254	1.51
			<u>46,254</u>	<u>1.51</u>
<i>Cayman Islands</i>				
Alibaba Group Holding Ltd.	HKD	1,085,200	26,606	0.87
Tencent Holdings Ltd.	HKD	507,600	30,176	0.98
			<u>56,782</u>	<u>1.85</u>
<i>Denmark</i>				
Vestas Wind Systems A/S	DKK	452,229	87,457	2.85
			<u>87,457</u>	<u>2.85</u>
<i>Finland</i>				
Neste OYJ	EUR	1,883,604	111,434	3.63
			<u>111,434</u>	<u>3.63</u>
<i>France</i>				
Vivendi SA	EUR	2,353,604	62,088	2.03
			<u>62,088</u>	<u>2.03</u>
<i>Germany</i>				
Deutsche Boerse AG	EUR	443,139	61,707	2.01
			<u>61,707</u>	<u>2.01</u>
<i>Ireland</i>				
Linde plc	USD	459,647	98,992	3.23
Trane Technologies plc	USD	546,070	64,785	2.11
			<u>163,777</u>	<u>5.34</u>
<i>Japan</i>				
Sony Corp.	JPY	809,400	65,899	2.15
			<u>65,899</u>	<u>2.15</u>
<i>Netherlands</i>				
Koninklijke DSM NV	EUR	517,037	72,799	2.37
			<u>72,799</u>	<u>2.37</u>
<i>South Korea</i>				
Samsung Electronics Co. Ltd.	KRW	1,715,087	104,520	3.41
			<u>104,520</u>	<u>3.41</u>
<i>Sweden</i>				
Sandvik AB	SEK	4,680,088	93,756	3.06
			<u>93,756</u>	<u>3.06</u>
<i>Switzerland</i>				
Roche Holding AG	CHF	192,453	54,984	1.79
			<u>54,984</u>	<u>1.79</u>

Schedule of Investments (continued)

As at 31 December 2020

Investments	Currency	Quantity/ Nominal Value	Market Value EUR' 000	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing (continued)				
Equities (continued)				
<i>Taiwan</i>				
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	5,791,000	89,275	2.91
			<u>89,275</u>	<u>2.91</u>
<i>United Kingdom</i>				
ASOS plc	GBP	841,554	44,969	1.47
Reckitt Benckiser Group plc	GBP	696,695	50,919	1.66
			<u>95,888</u>	<u>3.13</u>
<i>United States of America</i>				
AbbVie, Inc.	USD	1,039,619	91,043	2.97
Adobe, Inc.	USD	69,441	28,384	0.93
Advance Auto Parts, Inc.	USD	423,855	54,564	1.78
Advanced Micro Devices, Inc.	USD	801,014	60,039	1.96
Alphabet, Inc. 'A'	USD	70,301	100,701	3.28
Amazon.com, Inc.	USD	37,961	101,047	3.30
Anthem, Inc.	USD	293,583	77,044	2.51
Apple, Inc.	USD	1,445,152	156,722	5.11
Aspen Technology, Inc.	USD	529,102	56,324	1.84
Bank of America Corp.	USD	3,749,047	92,872	3.03
Booking Holdings, Inc.	USD	17,749	32,309	1.05
Charter Communications, Inc. 'A'	USD	185,727	100,419	3.27
Electronic Arts, Inc.	USD	624,863	73,336	2.39
Eli Lilly and Co.	USD	1,118,207	154,304	5.03
JPMorgan Chase & Co.	USD	849,181	88,190	2.88
Mastercard, Inc. 'A'	USD	103,862	30,299	0.99
Microsoft Corp.	USD	890,538	161,884	5.28
S&P Global, Inc.	USD	210,996	56,688	1.85
Stanley Black & Decker, Inc.	USD	546,301	79,725	2.60
State Street Corp.	USD	824,916	49,068	1.60
UnitedHealth Group, Inc.	USD	211,846	60,717	1.98
Visa, Inc. 'A'	USD	427,732	76,464	2.49
Zebra Technologies Corp. 'A'	USD	240,088	75,414	2.46
			<u>1,857,557</u>	<u>60.58</u>
Total Equities			<u>3,024,177</u>	<u>98.62</u>
Total Transferable securities and money market instruments admitted to an official exchange listing			<u>3,024,177</u>	<u>98.62</u>
Total Investments			<u>3,024,177</u>	<u>98.62</u>
Cash			<u>8,452</u>	<u>0.28</u>
Other Assets/(Liabilities)			<u>33,737</u>	<u>1.10</u>
Total Net Assets			<u>3,066,366</u>	<u>100.00</u>

Schedule of Investments (continued)

As at 31 December 2020

Forward Currency Exchange Contracts

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) EUR' 000	% of Net Assets
AUD	105,921,368	EUR	65,834,240	19/01/2021	Citigroup	954	0.03
EUR	9,665,136	DKK	71,920,406	19/01/2021	Citigroup	3	-
EUR	47,052,475	DKK	350,218,785	19/01/2021	HSBC	4	-
EUR	67,618,586	HKD	638,227,085	19/01/2021	HSBC	367	0.01
EUR	82,139,585	USD	100,000,000	19/01/2021	Barclays	439	0.02
EUR	165,682,707	USD	202,303,577	19/01/2021	Rabobank	400	0.02
GBP	34,949,496	EUR	38,724,543	19/01/2021	Barclays	312	0.01
HKD	273,475,000	EUR	28,698,403	19/01/2021	Citibank	119	-
JPY	1,215,239,683	EUR	9,596,036	19/01/2021	Rabobank	22	-
NOK	63,600,000	EUR	5,992,737	19/01/2021	Citigroup	76	-
SGD	13,120,000	EUR	8,101,012	19/01/2021	Rabobank	9	-
USD	21,520,000	EUR	17,563,345	19/01/2021	Citigroup	19	-
USD	12,509,288	EUR	10,195,023	19/01/2021	HSBC	25	-
Total Unrealised Gain on Forward Currency Exchange Contracts - Assets						2,749	0.09
CAD	147,813,278	EUR	95,409,694	19/01/2021	Citigroup	(613)	(0.02)
CHF	34,896,966	EUR	32,415,663	19/01/2021	Barclays	(147)	(0.01)
EUR	59,067,699	SEK	601,787,954	19/01/2021	HSBC	(812)	(0.03)
EUR	11,287,365	USD	13,841,843	19/01/2021	Rabobank	(21)	-
HKD	45,367,902	EUR	4,790,525	19/01/2021	Citibank	(10)	-
HKD	45,000,000	EUR	4,752,846	19/01/2021	HSBC	(11)	-
JPY	20,773,242,630	EUR	165,109,611	19/01/2021	Rabobank	(696)	(0.02)
Total Unrealised Loss on Forward Currency Exchange Contracts - Liabilities						(2,310)	(0.08)
Net Unrealised Gain on Forward Currency Exchange Contracts - Assets						439	0.01

Rotterdam, 30 April 2021

The Manager

Robeco Institutional Asset Management B.V.

Polymakers RIAM:

G.O.J.M. (Gilbert) Van Hassel

K. (Karin) van Baardwijk

A.J.M. (Lia) Belilos-Wessels

M.C.W. (Mark) den Hollander

M.F. (Mark) van der Kroft

M.O. (Martin) Nijkamp

H-C. (Christoph) von Reiche

V. (Victor) Verberk

Other information

Provisions regarding appropriation of the result

According to article 20 of the fund's Articles of Association, the profit, after payment of dividend on the priority shares and less allocations to the reserves deemed desirable by the management board shall be at the disposal of the General Meeting of Shareholders.

Directors' interests

The total personal interests in the investments of the fund held by the policymakers of the management (also the manager) of the fund on 1 January 2020 and 31 December 2020 are shown in the table below.

As at 1 January 2020	Description	Quantity
Royal Dutch Shell plc	Shares	9,749

As at 31 December 2020	Description	Quantity
JP Morgan Chase	Shares	4,092



Independent auditor's report

To: the General Meeting of Shareholders of Robeco Sustainable Global Stars Equities Fund N.V. and the Board of Directors of Robeco Institutional Asset Management B.V.

Report on the audit of the annual financial statements 2020 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Robeco Sustainable Global Stars Equities Fund N.V. as at 31 December 2020, and of its result and cash flows for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the 2020 financial statements of Robeco Sustainable Global Stars Equities Fund N.V. (hereafter: "the fund"), based in Rotterdam.

The financial statements consist of:

- 1 the balance sheet at 31 December 2020;
- 2 the profit and loss account for 2020;
- 3 the cash flow statement for 2020; and
- 4 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Robeco Sustainable Global Stars Equities Fund N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).



We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

Materiality

- Materiality of EUR 31 million
- 1% of equity

Scope of the audit

- Outsourcing of business processes to service providers

Key audit matters

- Existence and valuation of investments
- Accuracy of the investment income

Opinion

Unqualified

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 31 million (2019: EUR 28 million). Materiality is determined based on 1% of the equity of the fund (2019: 1%). We consider the equity to be the most appropriate benchmark, since the equity of an investment entity represents the value that an investor could receive on the sale of his share in the investment entity. Changes in the value of the investments are an important part of the total operating income and therefore the result of an investment entity. Due to the dependency on the value changes both the total operating income and the profit before tax are inherently volatile and therefore less suitable as benchmark for determining materiality. The materiality is determined on the basis of the characteristics of the fund, including the investment category.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We have agreed with those charged with governance (the Board of Directors of Robeco Institutional Asset Management B.V., also the manager) that misstatements in excess of EUR 1.5 million which are identified during our audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative reasons.

Scope of the audit

Outsourcing of business processes to service providers

The fund has no employees and its portfolio management, risk management and financial and investment administration are therefore performed by the manager of the fund, Robeco Institutional Asset Management B.V. (hereafter: 'RIAM'). We are responsible for obtaining sufficient and appropriate audit evidence regarding the services provided by RIAM and



therefore we have gained insight into the nature and significance of these services. Based on this assessment we identify the risks of material misstatement and design audit procedures to address these risks.

As part of our audit procedures we rely on the procedures performed by the external auditor of RIAM on the administrative organisation and internal controls relevant for the fund, and the reports specifically prepared for this (so-called ISAE 3402 type II reports). Our audit procedures consisted of determining the minimum expected internal controls at RIAM, and evaluating these internal controls which are included in the ISAE 3402 type II report, the procedures performed in order to test the existence and operating effectiveness of those internal controls and the outcome of these procedures. We also performed this work on relevant administrative processes and internal controls that RIAM itself outsourced to service providers, including the investment administration.

Based on the above procedures performed over these outsourced processes and additional work performed by us, we have determined that the for the fund relevant internal controls within the processes of RIAM (including those internal controls that have been outsourced to service providers) are sufficient to be relied upon in the performance of our audit of the fund's financial statements.

Our focus on the risk of fraud and non-compliance with laws and regulations

Our objectives

The objectives of our audit with respect to fraud and non-compliance with laws and regulations are:

With respect to fraud:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate audit responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

With respect to non-compliance with laws and regulations:

- to identify and assess the risk of material misstatement of the financial statements due to non-compliance with laws and regulations; and
- to obtain a high (but not absolute) level of assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the manager.

Our risk assessment



As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the fund and we inquired the manager as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

The potential effect of the identified laws and regulations on the financial statements varies considerably.

Firstly, the fund is subject to laws and regulations that directly affect the financial statements, including taxation and financial reporting (including related fund legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items and therefore no additional audit response is necessary.

Secondly, the fund is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht, Wft);
- the anti-money laundering laws and regulations (Wwft).

In accordance with the auditing standard we evaluated the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks:

- fraud risk relating to revenue recognition;
- fraud risk relating to management override of controls.

We rebutted the presumed fraud risk on revenue recognition as the fund invests in listed securities on regulated markets and has involvement of third parties in the dividend and/or income transactions like custodian and depositary. We therefore consider the risk of material misstatement in relation to revenue recognition due to fraud as low.

We communicated the identified risks of fraud and non-compliance with laws and regulations throughout our team and remained alert to any indications of fraud and/or non-compliance throughout the audit.

In our audit, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the manager that may represent a risk of material misstatement due to fraud.

We communicated our risk assessment and audit response to the manager. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.



Our response to the risks identified

We performed the following audit procedures (not limited) to respond to the assessed risks:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks. In case of internal control deficiencies, where we considered there would be opportunity for fraud, we performed supplemental detailed risk-based testing.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the fund. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- Assessment of matters reported on the (fund's) incident register/whistleblowing and complaints procedures with the entity and results of the manager's investigation of such matters.
- With respect to the risk of bribery and corruption, we evaluated the funds' controls and procedures such as the policy and governance regarding the monitoring of possible non-compliance with the anti-money laundering and terrorism financing laws and regulations (Wwft).
- We incorporated elements of unpredictability in our audit.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures.
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements.
- We considered the effect of actual, suspected or identified risk of non-compliance as part of our procedures on the related financial statement items.

We do note that our audit is based on the procedures described in line with applicable auditing standards. In addition to the requirements of the auditing standards we have performed the following additional procedures:

- Procedures with regards to the compliance with ICBE / UCITS investment restrictions pursuant to article 130 up to and including 143 of the 'Besluit Gedragstoezicht financiële ondernemingen Wft' ('BGfo');
- Procedures with regards to the compliance of the prospectus of the fund with the requirements pursuant to article 4:49 lid 2 Wft.

Our procedures to address identified risks of fraud and related to non-compliance with laws and regulations did not result in a key audit matter.



We do note that our audit is not primarily designed to detect fraud and non-compliance with laws and regulations and that the manager is responsible for such internal control as the manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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. We have communicated the key audit matters to those charged with governance. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Existence and valuation of investments

Description

The fund's investments amount to more than 98% of the total assets. The investments are valued at fair value based on market information. The determination of the fair value for each investment category is disclosed on pages 18. The valuation of the investments has a significant impact on the financial results. We assess the risk of a material misstatement in the valuation of the investments as low due to the fact that 99% of the portfolio consists of liquid, listed investments which are traded on an active market. The remaining part consists of derivatives. Due to the amount of the investments in relation to the financial statements as a whole we identify the existence and valuation of investments as a key audit matter.

Our approach

Our audit procedures consisted of the following:

- determining the existence of the investments by directly received confirmations from the custodian and other relevant counterparties.
- determining that the used price is based on the method which is defined for the relevant investment category, as stated on page 18. We performed this procedure by comparing the used valuations of the investments with our independent valuation which is based on observable market prices. In performing these procedures we have used our valuation specialists.

Furthermore we evaluated the sufficiency of the disclosure of investments in the financial statements as included under 'Investments' and 'Derivatives'.

Our observation

Based on our procedures we conclude that the investments exist and that the valuation of the investments resulted in an acceptable valuation of the investments in the financial statements. The disclosure of the composition of and movements in investments is adequate.

Accuracy of the investment income

Description

The total operating income mainly consists of the changes in the value of investments and investment income. The total operating income is to a large extent decisive for the performance of the sub-fund and has therefore a significant effect on the overall view presented by the financial statements. In the audit over 2020, the changes in the value of investments – as part of the total operating income – were identified and assessed as financial statement accounts that do not contain a risk of material misstatement, given the nature of the underlying transactions and the correlation with the valuation of investments already included in the previous key audit matter. The investment income consists of dividends received and for a smaller amount interest expense and net revenue from securities lending. The investment income is based on the accounting policies as described in the notes on the financial statements on page 19. We consider the accuracy of investment income to be a key audit matter.

Our approach

Our audit procedures consisted of the following:

- we have assessed the design, implementation and operating effectiveness of the relevant controls at the manager of the fund, as stated under 'Scope of the audit - Outsourcing of business processes to service providers'.
- we have assessed the accuracy of operating income by applying data analysis techniques where, based on the composition of the investments in combination with information on the return on investments that can be observed in the market, an expected outcome has been determined which subsequently has been compared with the investment income as accounted for. We have involved our specialists in this procedure.

Furthermore, we evaluated the sufficiency of the disclosure in the financial statements as included under 'Investment income'.

Our observation

Based on our procedures performed we conclude that the investment income has been recognized accurately and that the disclosure of the investment income is sufficient.



Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the below procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The manager of the fund is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the General Meeting on 24 April 2014 as auditor of the fund as of the audit for year 2014 and have operated as statutory auditor since then.

No prohibited non-audit services

We have not provided any prohibited non-audit services as defined in Article 5 (1) of the European regulation on specific requirements for statutory audits of financial statements of Public Interest Entities.

Description of the responsibilities for the financial statements

Responsibilities of the manager of the fund for the financial statements

The manager of the fund is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the manager of the fund is responsible for such internal control as the manager of the fund determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or errors.

As part of the preparation of the financial statements, the manager of the fund is responsible for assessing the fund's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the manager of the fund should prepare the financial statements using the going concern basis of accounting unless the manager of the fund either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so. The manager of the fund should disclose events and circumstances that may cast



significant doubt on the fund's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during the audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Further details of our responsibilities with respect to the audit of the financial statements is included in the appendix to this audit report. This appendix forms part of our audit report.

Utrecht, 30 April 2021

KPMG Accountants N.V.

G.J. Hoeve RA

Appendix: Description of our responsibilities for the audit of the financial statements



Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the manager;
- Concluding on the appropriateness of the manager'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report 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 auditor's report. However, future events or conditions may cause a fund to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating 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. In this respect we also submit an additional report to the Board of Directors of Robeco Institutional Asset Management B.V. (also responsible for the tasks generally performed by the audit committee) in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We 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, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters: those matters that were of most significance in the audit of the financial



statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.