

Robeco QI Global Conservative Equities IH EUR

Robeco QI Global Conservative Equities is an actively managed fund that invests in low-volatility stocks in developed and emerging countries across the world. The selection of these stocks is based on a quantitative model. The fund's long-term aim is to achieve returns equal to, or greater than, those on global equity markets with lower expected downside risk. The selected low-risk stocks are characterized by high dividend yields, attractive valuation, strong momentum and positive analyst revisions as well. This results in a diversified, low turnover portfolio of defensive stocks aiming to achieve stable equity returns and high income.



Pim van Vliet, Arlette van Ditshuizen, Maarten Poffliet, Jan Sytze Mosselaar, Arnoud Klep
Fund manager since 14-12-2011

Performance

	Fund	Index
1 m	2.29%	3.58%
3 m	5.13%	12.26%
Ytd	-5.59%	11.50%
1 Year	-5.59%	11.50%
2 Years	6.72%	17.65%
3 Years	1.93%	7.80%
Since 01-2016	5.59%	12.27%

Annualized (for periods longer than one year)

Note: due to a difference in measurement period between the fund and the index, performance differences may arise. For further info, see page 4.

Calendar year performance

	Fund	Index
2020	-5.59%	11.50%
2019	20.64%	24.14%
2018	-7.01%	-9.50%
2017	10.70%	17.41%
2018-2020	1.93%	7.80%

Annualized (years)

Fund price

31-12-20	EUR	130.91
High Ytd (19-02-20)	EUR	143.50
Low Ytd (23-03-20)	EUR	96.87

Index

MSCI All Country World Index (Net Return, hedged into EUR)

General facts

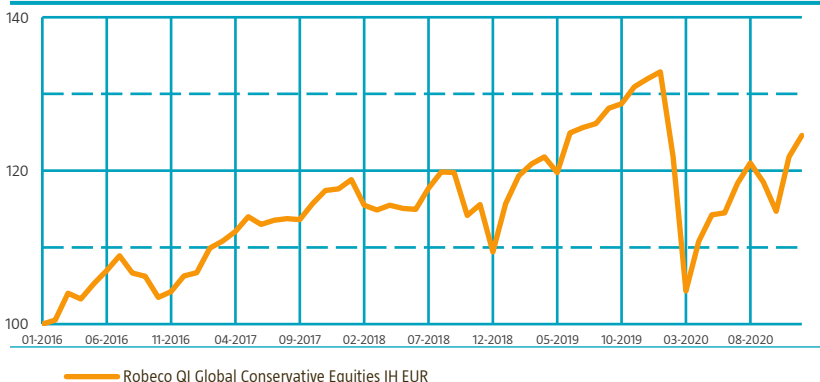
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 403,912,981
Size of share class	EUR 19,924,611
Outstanding shares	152,201
1st quotation date	21-01-2016
Close financial year	31-12
Ongoing charges	0.68%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.

Fees

Management fee	0.55%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.02%

Performance

Indexed value (until 31-12-2020) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 2.29%.

The conservative equities that the fund typically selects as part of its investment strategy, lagged the market last month. From a factor perspective, especially the low-risk factor detracted from performance. Moreover, value and momentum had a negative impact. The main negative contributions came from the consumer sectors. The largest detractors were holding Walmart, and not holding Tesla. Moreover, holding several consumer stocks such as Best Buy, Target and Dollar General Corporation also hurt the relative performance. The main positive contributions came from not holding tech giants Alibaba, Amazon and Tencent, and from holding Australian materials stocks Fortescue Metals Group and Rio Tinto.

Expectation of fund manager

The Global Conservative Equities Fund invests in low volatility stocks with lower expected downside risk and good upside potential. The more stable stocks tend to be overlooked by investors, though they offer relatively high returns given their risk profile. We expect the fund to do particularly well during down markets and volatile market conditions. In a very bullish environment, the fund could lag the overall market, yet still deliver good absolute returns. In the long term, we expect stable equity returns and high income with considerably lower downside risk.

Sustainability profile

-  Exclusions
-  Full ESG Integration
-  Voting & Engagement
-  ESG Target

ESG score target

↑ Index

For more information on exclusions see <https://www.robeco.com/exclusions/>

Top 10 largest positions

The top ten positions are primarily the result of the fact that these companies have a low expected volatility combined with good upside potential.

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

Issue structure Open-end

UCITS V Yes

Share class IH EUR

This fund is a subfund of Robeco Capital Growth Funds, SICAV.

Registered in

Ireland, Italy, Luxembourg, Netherlands, Singapore, Switzerland

Currency policy

Currency risk is hedged to Euro.

Risk management

Risk management is fully integrated in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend. The fund retains any income that is earned and so its entire performance is reflected in its share price.

Fund codes

ISIN LU1346205104

Bloomberg ROGCIHE LX

Sedol BZ1BZK1

Valoren 31082948

ESG integration policy

Environmental, Social and Governance (ESG) factors are systematically integrated in the highly disciplined investment process, by using the ESG scores from the RobecoSAM Corporate Sustainability Assessment. The ESG integration aims for a total ESG score of the portfolio higher than the index. Moreover, the scores on the Environmental, Social and Governance dimensions should also be higher than the index, to ensure that the ESG enhancement is reached across all three dimensions. This ensures that stocks with higher ESG scores are more likely to be included in the portfolio while stocks of companies that have very poor ESG scores are more likely to be divested from the portfolio. With these portfolio construction rules we aim for an ESG profile of the fund that is above average compared to its peers. In addition, stocks with corporate governance issues or stocks that have major litigation or regulatory risk may be excluded from the investable universe. Next to ESG integration, Robeco has an exclusion policy and conducts proxy voting and engagement activities based on International Corporate Governance Network objectives.

Top 10 largest positions

Holdings	Sector	%
Apple Inc	Information Technology	2.87
Oracle Corp	Information Technology	2.03
Johnson & Johnson	Health Care	2.02
Target Corp	Consumer Discretionary	2.01
Merck & Co Inc	Health Care	1.96
Roche Holding Ag	Health Care	1.94
Walmart Inc	Consumer Staples	1.88
Verizon Communications Inc	Communication Services	1.87
Procter & Gamble Co/The	Consumer Staples	1.84
Microsoft Corp	Information Technology	1.79
Total		20.21

Top 10/20/30 weights

Top 10	20.21%
Top 20	34.96%
Top 30	45.36%

Statistics

	3 Years
Tracking error ex-post (%)	6.72
Information ratio	-0.77
Sharpe ratio	0.23
Alpha (%)	-2.90
Beta	0.73
Standard deviation	13.38
Max. monthly gain (%)	6.45
Max. monthly loss (%)	-14.18

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years
Months outperformance	13
Hit ratio (%)	36.1
Months Bull market	24
Months outperformance Bull	4
Hit ratio Bull (%)	16.7
Months Bear market	12
Months Outperformance Bear	9
Hit ratio Bear (%)	75.0

Above mentioned ratios are based on gross of fees returns.

Asset Allocation

Asset allocation	
Equity	99.5%
Cash	0.5%

Sector allocation

The Global Conservative Equities Fund is not benchmark driven. It uses a quantitative stock selection model for bottom-up selection of stocks with low absolute risk and high expected return characteristics. The current weights in defensive sectors are high compared to regular indices. This is due to the fact that these sectors contain a relatively large number of stable and attractively priced stocks.

Sector allocation		Deviation index	
Financials	16.1%		2.6%
Information Technology	14.2%		-7.7%
Consumer Discretionary	13.5%		0.5%
Health Care	13.4%		1.5%
Consumer Staples	12.5%		5.1%
Communication Services	11.5%		2.2%
Industrials	6.7%		-3.0%
Materials	6.1%		1.2%
Utilities	2.4%		-0.6%
Real Estate	2.4%		-0.2%
Energy	1.3%		-1.7%
Other	-0.1%		0.1%

Country allocation

The Global Conservative Equities Fund is not benchmark driven. It uses a quantitative stock selection model for bottom-up selection of stocks with low absolute risk and high expected return characteristics. The current weights in certain countries are high compared to regular indices. This is due to the fact that these countries contain a relatively large number of stable and attractively priced stocks.

Country allocation		Deviation index	
United States	49.7%		-7.6%
Taiwan	6.7%		5.0%
Switzerland	6.0%		3.4%
Australia	5.2%		3.3%
Canada	4.8%		2.1%
Russia	3.9%		3.5%
Japan	3.7%		-3.1%
China	3.6%		-1.6%
United Kingdom	3.1%		-0.7%
Norway	1.7%		1.5%
Italy	1.4%		0.8%
Hong Kong	1.2%		0.3%
Other	9.0%		-6.9%

Investment policy

Robeco QI Global Conservative Equities invests in low-volatility stocks in developed and emerging countries across the world. The selection of these stocks is based on a quantitative model. The fund's long-term aim is to achieve returns equal to, or greater than, those on global equity markets with lower expected downside risk. The selected low-risk stocks are characterized by high dividend yields, attractive valuation, strong momentum and positive analyst revisions as well. The fund combines the outcome of a stock selection model with a disciplined portfolio construction algorithm. This prudent investment approach results in a diversified, low turnover portfolio of defensive stocks aiming to achieve stable equity returns and high income. The investment philosophy of Conservative Equities is based on our findings that investors tend to overpay for risk. The fund's quantitative strategy benefits from the fact that many investors are constrained by the benchmark in their investment process. The fund bases its strategy on academic research and combines several proven model factors to benefit from these tendencies in the (rational) behavior of other investors.

Fund manager's CV

Mr. Van Vliet is the head of the Conservative Equities team. Pim joined Robeco in 2005 as a Quantitative Researcher. He has published academic research in the Journal of Banking and Finance, Management Science, the Journal of Portfolio Management and other journals. He is a guest lecturer at several universities, advocates low-volatility investing at international seminars and is author of the book High Returns from Low Risk. Pim holds a PhD and an MSc (cum laude) in Financial and Business Economics from Erasmus University Rotterdam. Ms. Van Ditshuizen is a Portfolio Manager within the Conservative Equities team. Previously, Arlette was Risk Manager with Robeco and held a position as Portfolio Manager and Head of Derivatives Structures with Robeco. She started her career in 1997 at Robeco after graduating from Erasmus University Rotterdam with a Master's degree in Econometrics. Mr. Polfliet is a Portfolio Manager within the Conservative Equities team. Maarten joined Robeco in 2005. Previously, he was Client Portfolio Manager Quantitative Equities with Robeco. He started his career as portfolio manager at SNS Bank in 1999 after graduating from Tilburg University with a Master's degree in Financial Economics. Mr. Mosselaar is a Portfolio Manager within the Conservative Equities team. Previously, Jan-Sytze was Portfolio Manager in the Robeco Asset Allocation department, managing multi-asset allocation funds, quant allocation funds and fiduciary pension mandates. He started his career at Robeco in 2004 after graduating from the University of Groningen with a Master's degree in Business Economics. Mr. Klep is a Portfolio Manager within the Conservative Equities team. Previously, Arnold was Head of Structured Investments with Robeco, managing various quantitative investment strategies. He started his career in the Robeco Quantitative Research department in 2001 after graduating from Tilburg University with a Master's degree in Econometrics.

Fiscal product treatment

The fund is established in Luxembourg and is subject to the Luxembourg tax laws and regulations. The fund is not liable to pay any corporation, income, dividend or capital gains tax in Luxembourg. The fund is subject to an annual subscription tax ('tax d'abonnement') in Luxembourg, which amounts to 0.01% of the net asset value of the fund. This tax is included in the net asset value of the fund. The fund can in principle use the Luxembourg treaty network to partially recover any withholding tax on its income.

Fiscal treatment of investor

Investors who are not subject to (exempt from) Dutch corporate-income tax (e.g. pension funds) are not taxed on the achieved result. Investors who are subject to Dutch corporate-income tax can be taxed for the result achieved on their investment in the fund. Dutch bodies that are subject to corporate-income tax are obligated to declare interest and dividend income, as well as capital gains in their tax return. Investors residing outside the Netherlands are subject to their respective national tax regime applying to foreign investment funds. We advise individual investors to consult their financial or tax adviser about the tax consequences of an investment in this fund in their specific circumstances before deciding to invest in the fund.

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