

RobecoSAM Sustainable Agribusiness Equities D USD

RobecoSAM Sustainable Agribusiness Equities invests in stocks in developed and emerging countries across the world. The selection of these stocks is based on fundamental analysis. The fund invests in companies that play an integral role in the long-term provision of food security. Within a rigid framework of sustainability considerations, the strategy spans the entire agricultural value chain from field to fork. The fund is based on bottom-up stock selection and seeks to achieve long-term capital appreciation on the basis of buoyant agricultural fundamentals. The fund predominantly invests in consumer staples, materials and industrials sectors.



Holger Frey, CAIA
Fund manager since 01-05-2016

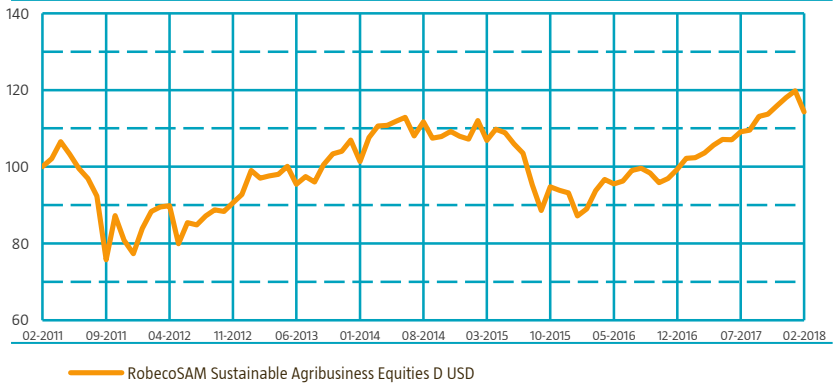
Performance

	Fund	Index
1 m	-4.63%	-4.14%
3 m	-1.43%	2.28%
Ytd	-3.22%	0.92%
1 Year	11.66%	17.36%
2 Years	13.27%	19.29%
3 Years	0.66%	8.19%
5 Years	3.32%	10.70%
Since 02-2011	2.30%	9.11%

Annualized (for periods longer than one year)

Performance

Indexed value (until 28-02-2018) - Source: Robeco



Calendar year performance

	Fund	Index
2017	18.80%	22.40%
2016	6.65%	7.51%
2015	-13.68%	-0.87%
2014	0.91%	4.94%
2013	15.31%	26.68%
2015-2017	3.03%	9.26%
2013-2017	4.94%	11.64%

Annualized (years)

Performance

Based on transaction prices, the fund's return was -4.63%.

In February, the best contribution came from the Producers and Logistics cluster. Salmon producer Bakkafrøst gained about 27% after reporting a better than expected Q4 and providing a constructive outlook for 2018, which found support in the recent strengthening of the salmon price. Farm inputs delivered a weaker performance this month, with diversified crop and seed producers like FMC, Vilmorin and BASF down, although the outlook across the group remains intact. End-consumer facing sectors lagged the market, with relatively balanced performance in the packaged food and retail space, and with Ahold Delhaize up after reporting positive quarterly results. In packaged food, investors showed more interest in Mondelez again, after the departure of Warrant Buffet from peer Kraft Heinz board was read as a sign for more M&A activity again. Food Technology & Safety performed better than the market, driven by last month's gains, Zoetis trading on a strengthening US livestock market and good results from Canadian-based food packaging specialist Winpak. The latter benefits from recent capacity additions and delivered well due to it passing on higher raw material costs to its customer base.

Fund price

28-02-18	USD	118.59
High Ytd (29-01-18)	USD	124.88
Low Ytd (12-02-18)	USD	114.46

Reference index

MSCI World Index Total Return Net

General facts

Morningstar	★★★★
Type of fund	Equities
Currency	USD
Total size of fund	USD 52,742,992
Size of share class	USD 850,143
Outstanding shares	7,238
1st quotation date	25-02-2011
Close financial year	31-12
Ongoing charges	1.72%
Daily tradable	Yes
Dividend paid	No
ex-ante RatioVaR limit	150.00%
Management company	Robeco Luxembourg S.A.

Market development

In February, stock markets traded lower and erased the January gains. Technology was the only sector with a positive performance, while energy, staples and financials were weak. Comments made by the new Fed-Chief Jerome Powell about a strengthening economy and an inflation pick-up kept investors busy trying to adequately reflect this into their positioning. The agribusiness sector traded in line with the market. Grain markets reflected the dry weather conditions in Argentina. This was most visible in the ~10% rise of the soybean price since the beginning of the year. Reportedly, this is the worst drought in 30 years, and it will reduce production below the levels seen in 2009. Although a pronounced price rally appears unlikely at this point, a further normalization of stock-to-use levels from the highs of 2016/2017 should support exposed upstream players. Also related to farm inputs, ag technology and equipment manufacturers are becoming more vocal on the ag replacement cycle in North America. Irrespective of the crop price environment, companies agree that farmers may have postponed the required investments for too long, which could provide end-markets with additional tailwinds for the next 2-3 years.

Expectation of fund manager

The outlook of the overall financial markets will largely depend on expectations of the Federal Reserve being able to maintain a rather gradual approach towards raising interest rates. Future inflation data must therefore be monitored very closely, as any faster than forecasted inflation pick-up might have a significant impact on stock markets. The fund management remains confident that the global economy continues on a rather benign growth path, with no excessive inflationary pressure building up, which should be very supportive for stock markets. Fund management continues to focus on companies with differentiated business models, high barriers to entry, able to sustainably generate superior long-term returns. We consider providers of mechanization solutions on the farm and in the food-production industry to be the major beneficiaries. Furthermore, we expect clean-label products to continue to gain market share in the foreseeable future, which will have a profound effect on the entire food supply chain.

Fees

Management fee	1.50%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.13%

SI fund classification

	Yes	No	N/A
Voting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PRI ESG Integration Classification

	Yes	No	N/A
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainability Themed Fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Top 10 largest positions

The top ten positions remained largely unchanged. Salmon producer Bakkafrøst moved higher in the top ten on solid stock performance after positive Q4 results.

Legal status

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

Issue structure	Open-end
UCITS V	Yes
Share class	D USD
This fund is a subfund of Robeco Capital Growth Funds, SICAV	

Registered in

Austria, Belgium, France, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Norway, Singapore, Spain, Switzerland, United Kingdom

Currency policy

The fund is allowed to pursue an active currency policy to generate extra returns.

Risk management

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

Dividend policy

The fund does not distribute dividend; any income earned is retained, and so the fund's entire performance is reflected in its share price.

Fund codes

ISIN	LU0594694878
Bloomberg	ROBAGDU LX
WKN	A2DPWL
Valoren	12534815

ESG integration policy

For RobecoSAM Sustainable Agribusiness Equities, the initial universe consists of companies that offer products and services addressing global challenges related to Agribusiness. These companies are individually screened for exposure to critical agri-relevant sustainability issues. Criteria analyzed include genetically modified organisms (GMOs), palm oil, bio-fuels, forestry, animal welfare, and fisheries. The screening results in the definition of a sustainable investment eligible universe. Companies are then analyzed following an economic profit approach. RobecoSAM conducts the Corporate Sustainability Assessment in order to verify companies' ability to mitigate risks and seize market opportunities deriving from sustainability challenges. The resulting Sustainability Score is fully integrated into the fundamental company valuation.

Top 10 largest positions

Holdings	Sector	%
Nutrien Ltd	Chemicals	4.24
Krones Ag	Machinery	4.23
Bakkafrøst P/F	Food Products	3.81
Gea Group Ag	Machinery	3.66
Ingredion Inc	Food Products	3.46
Tyson Foods Inc	Food Products	3.21
Billerudkorsnas Ab	Containers & Packaging	2.97
Arca Continental Sab De Cv	Beverages	2.91
Archer-Daniels-Midland Co	Food Products	2.86
Basf Se	Chemicals	2.71
Total		34.07

Top 10/20/30 weights

Top 10	34.07%
Top 20	56.92%
Top 30	75.24%

Statistics

	3 Years	5 Years
Information ratio	-1.11	-1.11
Sharpe ratio	0.14	0.42
Alpha (%)	-4.96	-4.52
Beta	0.95	0.95
Standard deviation	11.32	10.86
Max. monthly gain (%)	7.55	7.55
Max. monthly loss (%)	-7.97	-7.97

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	14	22
Hit ratio (%)	38.9	36.7
Months Bull market	25	42
Months outperformance Bull	10	15
Hit ratio Bull (%)	40.0	35.7
Months Bear market	11	18
Months Outperformance Bear	4	7
Hit ratio Bear (%)	36.4	38.9

Above mentioned ratios are based on gross of fees returns.

Changes

This fund does not use a benchmark in its investment policy. The benchmark shown is a reference index.

Asset Allocation

Asset allocation	
Equity	96.7%
Cash	3.3%

Sector allocation

The fund invests according to four distinct investment clusters: 'Production Factors' (fertilizers, seeds, crop protection and machinery): (35%), 'Producers & Logistics' (transportation, plantations and animal protein): 13%; 'Food Technology & Safety' (ingredients, inspection and processing/packaging): 31%; and 'Distributed Products' (packaged food, beverage and distribution): 21%.

Sector allocation		Deviation reference index
Food Products	35.0%	33.2%
Chemicals	24.7%	21.8%
Machinery	15.3%	13.2%
Containers & Packaging	4.7%	4.4%
Electronic Equipment & Instruments	4.4%	3.4%
Food & Staples Retailing	3.5%	1.8%
Beverages	3.5%	1.6%
Pharmaceuticals	3.4%	-1.7%
Road & Rail	3.3%	2.1%
Life Sciences Tools & Services	1.0%	0.5%
Professional Services	0.7%	0.1%
Personal Products	0.4%	-0.4%
Other	0.1%	-80.0%

Regional allocation

The country allocation of the fund is purely the result of the bottom-up stock selection process. Emerging markets are an important demand factor for the agribusiness value chain, and represented in the fund by investments in leading local players. However, given prevailing market sentiment, fund management might also opt to capture exposure to those end markets via developed market companies.

Regional allocation		Deviation reference index
America	50.8%	-12.2%
Europe	36.6%	13.4%
Asia	12.6%	-1.0%
Middle East	0.0%	-0.2%

Currency allocation

The currency allocation of the fund is purely a result of the bottom-up stock-selection process. Any resulting significant currency exposure can be hedged by forward currency contracts. Internal investment guidelines limit currency deviations versus the investable universe to a maximum of 10%.

Currency allocation		Deviation reference index
US Dollar	39.9%	-20.1%
European Euro	23.0%	11.0%
Japanese Yen	8.5%	-0.7%
Canadian Dollar	6.6%	3.3%
Swiss Franc	5.6%	2.7%
Norwegian Krone	4.3%	4.0%
Mexican Peso	3.5%	3.5%
Hong Kong Dollar	3.0%	1.7%
Swedish Krona	2.9%	1.9%
Danish Kroner	1.3%	0.6%
Indian Rupee	0.9%	0.9%
Australian Dollar	0.6%	-1.9%
Other	-0.1%	-6.9%

Investment policy

Allocation to thematic strategies that are based on long-term trends offer possibilities of outperforming the broader market over a 3-5 year investment horizon. This theme fund invests in companies in the agricultural industries worldwide that benefit most from the selected long-term trends. Demographic changes and the shortage of resources are the main long-term trends that form the basis of our thematic strategies. The structured investment process adopted by the fund aims to invest in the most attractive companies in the universe of international equities along the entire agriculture value chain. The first step in this process is to perform a macroeconomic analysis to pick out those trends which have a significant influence on the agricultural industry. The process subsequently identifies all companies that demonstrate a clear correlation to the investment theme and stand to benefit most from the trends and developments highlighted. SAM evaluates the absolute and relative attractiveness of individual companies in terms of investment and growth potential on the basis of systematic analysis using a discounted cash flow (DCF) model and a quantitative assessment of financial and sustainability criteria. The composition of the portfolio is then defined taking into account risk-specific criteria.

Fund manager's CV

Holger Frey is Senior Portfolio Manager responsible for managing the RobecoSAM Sustainable Agribusiness strategy. Additionally, he is the Deputy Portfolio Manager for the RobecoSAM Sustainable Water strategy. Prior to joining, Holger worked for 10 years as a Portfolio Manager and Analyst for Sustainable Equities at Deutsche Asset & Wealth Management. In this role he was the Lead Portfolio Manager of the DWS Agriculture Index and the DWS Water Sustainability Fund. Previously, he worked for 2 years as a financial services consultant for KMPG Consulting/Bearing Point in the Asset Wealth Management Practice Group. Before that he worked at CompuNet/German Stock Exchange and as a graduate at KfW Bankengruppe. He holds a Bachelor's degree in Computer Science and Media from the University of Applied Sciences in Fulda, a Bachelor's of Arts degree in Musicology from the Johann Wolfgang Goethe University in Frankfurt and is a Chartered Alternative Investment Analyst (CAIA) Charterholder.

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 0.05% 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

The fiscal consequences of investing in this fund depend on the investor's personal situation. For private investors in the Netherlands real interest and dividend income or capital gains received on their investments are not relevant for tax purposes. Each year investors pay income tax on the value of their net assets as at 1 January if and inasmuch as such net assets exceed the investor's tax-free allowance. Any amount invested in the fund forms part of the investor's net assets. Private investors who are resident outside the Netherlands will not be taxed in the Netherlands on their investments in the fund. However, such investors may be taxed in their country of residence on any income from an investment in this fund based on the applicable national fiscal laws. Other fiscal rules apply to legal entities or professional investors. We advise 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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Morningstar

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