

RobecoSAM Sustainable Agribusiness Equities D USD

The RobecoSAM Sustainable Agribusiness Equities Fund invests globally 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	0.53%	1.89%
3 m	4.22%	4.32%
Ytd	14.42%	18.21%
1 Year	18.58%	22.77%
2 Years	9.51%	11.46%
3 Years	1.77%	8.13%
5 Years	5.18%	11.56%
Since 02-2011	2.34%	8.87%

Annualized (for periods longer than one year)

Calendar year performance

	Fund	Index
2016	6.65%	7.51%
2015	-13.68%	-0.87%
2014	0.91%	4.94%
2013	15.31%	26.68%
2012	19.93%	15.83%
2014-2016	-2.43%	3.80%
2012-2016	5.14%	10.41%

Annualized (years)

Fund price

31-10-17	USD	116.39
High Ytd (16-10-17)	USD	117.84
Low Ytd (04-01-17)	USD	101.80

Reference index

MSCI World Index Total Return Net

General facts

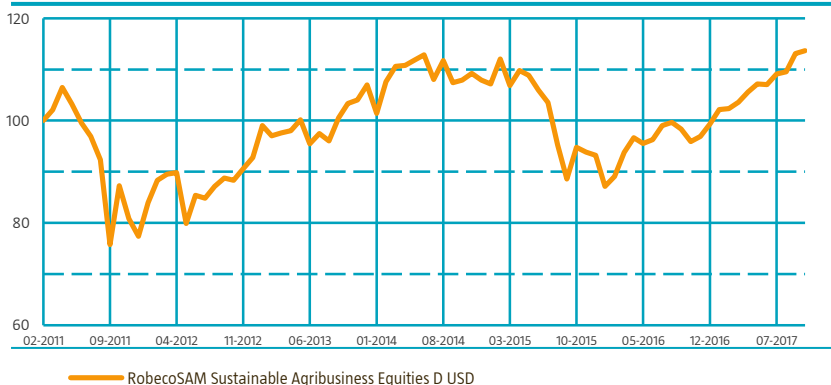
Morningstar	★★★★★
Type of fund	Equities
Currency	USD
Total size of fund	USD 58,517,852
Size of share class	USD 443,762
Outstanding shares	3,809
1st quotation date	25-02-2011
Close financial year	31-12
Ongoing charges	1.69%
Daily tradable	Yes
Dividend paid	No
ex-ante RatioVaR limit	150.0%
Management company	Robeco Luxembourg S.A.

Fees

Management fee	1.50%
Performance fee	None
Service fee	0.12%

Performance

Indexed value (until 31-10-2017) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 0.53%.

In October, the best contribution came from upstream. Ag equipment suppliers like Bucher benefited from the strongest order growth in recent quarters, while fertilizer producers advanced on better-than-expected nitrogen prices. In mid-stream, ingredients & enzyme names showed some positive organic volume reversals, which drove stocks like IFF and Novozymes higher. Processors remained behind expectations, as oilseeds crush volumes in South America echoed slow farmer selling, and accordingly unsatisfying margin levels. Going forward, we expect self-help and further industry consolidation to play a more dominant role. Consumer-facing sectors lagged the market, but were still positive. While beverages contributed negatively, packaged food recovered towards the end of the month. US names like Mondelez finally showed some volume relief, which also lifted peers. As valuation premiums for packaged food have somewhat evaporated in recent quarters, expectations have been reset in our view. Animal protein producers like Cal-Maine and Tyson contributed more strongly, as the market discounted a normalization of egg supply in the US and, for the latter, margin improvements for its beef segment.

Market development

Equity markets delivered a positive performance in October, driven by especially strong gains in the technology and financial sectors. The rally in technology stocks was further fueled by higher-than-expected consumer confidence levels and a stronger Chicago PMI. Constructive reviews of Apple's new iPhone X complemented this trend. Towards the end of the month, consumer staples showed a positive volume reversal, which pushed the sector into the green after several weaker months. In the commodity space, the protein sector continues to exhibit relatively strong fundamentals. Although chicken margins followed the usual seasonal decline, and some hurricane-related demand disruptions in the US added to this, current levels are high single digits above last year. In farm inputs, nitrogen fertilizer displayed a surprisingly strong price momentum as the market discounted unexpected temporary curtailments and delayed start-ups. Continuously lower operating rates of Chinese producers supported this as well. Given the push of the Chinese government on raising environmental standards, this situation should prevail in the near future.

Expectation of fund manager

The worldwide economy continues on a steady growth path, as documented by manufacturing activity, household spending and employment data. For the time being, inflation data remain modest, helping to keep bond yields under control. The overall economic environment can therefore be considered as supportive for stock markets. In this environment, fund management continues to focus on companies with differentiated business models, high barriers to entry, able to sustainably generate superior long-term returns. We see providers of mechanization solutions on the farm and in the food-production industry as being 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 supply chain. The superior value creation of the food value chain versus agricultural commodities remains a compelling offering, which is supported by strong structural trends.

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 unchanged in October.

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
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	%
Krones Ag	Machinery	3.57
Gea Group Ag	Machinery	3.56
Tyson Foods Inc	Food Products	3.45
Bakkafrost P/F	Food Products	3.43
Billerudkorsnas Ab	Containers & Packaging	3.28
Ingredion Inc	Food Products	3.17
Nisshin Seifun Group Inc	Food Products	3.08
Fmc Corp	Chemicals	3.06
Agrium Inc	Chemicals	3.05
Arca Continental Sab De Cv	Beverages	2.99
Total		32.65

Top 10/20/30 weights

Top 10	32.65%
Top 20	57.39%
Top 30	76.77%

Statistics

	3 Years	5 Years
Information ratio	-0.94	-0.93
Sharpe ratio	0.25	0.58
Alpha (%)	-3.97	-4.13
Beta	0.96	1.01
Standard deviation	11.22	11.10
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	23
Hit ratio (%)	38.9	38.3
Months Bull market	24	43
Months outperformance Bull	8	16
Hit ratio Bull (%)	33.3	37.2
Months Bear market	12	17
Months Outperformance Bear	6	7
Hit ratio Bear (%)	50.0	41.2

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	99.0%
Cash	1.0%

Sector allocation

The fund invests according to four distinct investment clusters: Production Factors (fertilizers, seeds, crop protection and machinery): 37%; Producers & Logistics (transportation, plantations and animal protein): 13%; Food Technology & Safety (ingredients, inspection and processing/packaging): 25%; and Distributed Products (packaged food, beverage and distribution): 25%.

Sector allocation		Deviation reference index
Food Products	38.6%	36.7%
Chemicals	25.3%	22.4%
Machinery	13.8%	11.7%
Beverages	5.7%	3.7%
Pharmaceuticals	3.8%	-1.6%
Road & Rail	3.4%	2.2%
Containers & Packaging	3.3%	3.0%
Food & Staples Retailing	3.1%	1.5%
Electronic Equipment & Instruments	2.0%	1.1%
Professional Services	0.6%	0.0%
Personal Products	0.4%	-0.4%
Commercial Banks	0.0%	-9.6%
Other	0.0%	-70.7%

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	45.4%	-17.2%
Europe	37.8%	13.8%
Asia	16.8%	3.5%
Middle East	0.0%	-0.2%
Other	0.0%	0.1%

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	34.6%	-24.7%
European Euro	23.8%	11.5%
Japanese Yen	12.2%	3.3%
Canadian Dollar	5.3%	1.8%
Swiss Franc	5.1%	2.1%
Mexican Peso	5.1%	5.1%
Norwegian Krone	4.2%	3.9%
Hong Kong Dollar	3.5%	2.3%
Swedish Krona	3.3%	2.2%
Danish Kroner	1.1%	0.4%
Indian Rupee	1.1%	1.1%
Australian Dollar	0.5%	-2.0%
Other	0.2%	-7.0%

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 graduand 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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