ROBECO

Factsheet | Figures as of 29-02-2024

Robeco Emerging Stars Equities D USD

Robeco Emerging Stars Equities is an actively managed fund that invests in emerging countries equities all over world. The selection of these shares is based on a fundamental analysis. The fund's objective is to achieve a better return than the index. The fund selects investments based on a combination of top-down country analysis and bottom-up stock selection. We focus on companies that have both a healthy and solid business model growth prospects as a reasonable valuation. The fund has a focused, concentrated portfolio with a small number of larger bets.



Jaap van der Hart, Karnail Sangha
Fund manager since 02-11-2006

Performance

	Fund	Index
1 m	5.19%	4.76%
3 m	6.98%	3.80%
Ytd	1.62%	-0.11%
1 Year	13.74%	8.73%
2 Years	-0.36%	-4.02%
3 Years	-3.93%	-6.30%
5 Years	2.82%	1.89%
10 Years	3.56%	3.01%
Since 01-2008	1.97%	1.26%

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 last page.

Calendar year performance

	Fund	Index
2023	16.95%	9.83%
2022	-20.97%	-20.09%
2021	0.13%	-2.54%
2020	9.10%	18.31%
2019	26.37%	18.44%
2021-2023	-2.55%	-5.08%
2019-2023	4.99%	3.69%

Annualized (years)

Index

MSCI Emerging Markets Index (Net Return, USD)

General facts

Morningstar	★★★★
Type of fund	Equities
Currency	USD
Total size of fund	USD 1,985,456,502
Size of share class	USD 31,635,036
Outstanding shares	230,763
1st quotation date	09-01-2008
Close financial year	31-12
Ongoing charges	1.76%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.

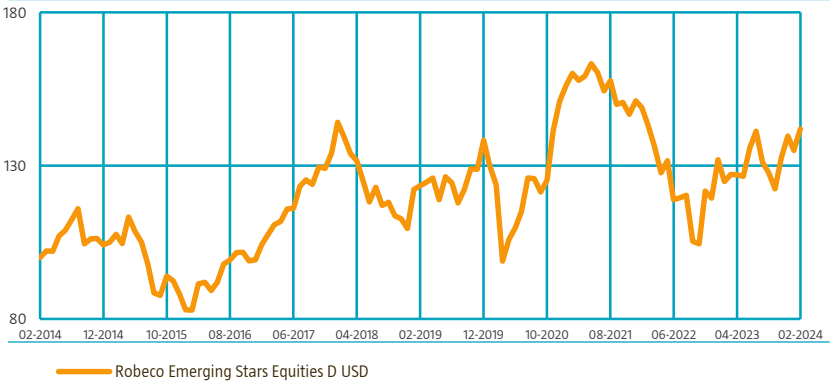
Sustainability profile

Exclusions
ESG Integration
Voting & Engagement

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

Performance

Indexed value (until 29-02-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 5.19%.
In February, the fund outperformed the MSCI Emerging Markets Index. The outperformance was driven by stock selection, while country allocation was negative. Negative country allocation was driven by Brazil, Hungary, South Africa (all overweight) and Saudi Arabia (underweight). Positive country allocation came from India (underweight) and South Korea (overweight). Stocks in the fund that outperformed were to be found in China, where Vipshop (online retailer), IQIYI (online video platform), PICC P&C (general insurance) and Xinyi Solar (solar panels) did relatively well. Stock selection was further aided by not owning Tencent (online related services) and Meituan (food delivery) in China. In South Korea, Hana Financial (bank), Hyundai Motor and Kia Motor (both car producers) outperformed. In Taiwan, Taiwan Semiconductor Manufacturing Co. (TSMC) also had a good month in February. Stocks that lagged in February included the Brazilian Petrobras (oil e&p), Grupo Banorte (Mexican bank) and Naspers (South Africa-based EM internet holding company). In China, internet search engine Baidu and gas distributor Kunlun Energy lagged as well in February.

Market development

In February, emerging markets rose 5.15% (MSCI EM, in EUR), and thus outperformed the MSCI World (+4.63%). The outperformance was led by the North Asian equity markets: China, South Korea and Taiwan. A major boost for China were the better macroeconomic data around the Lunar New Year and further policy step-ups in combination with a surprisingly large 25 basis points cut in the benchmark for mortgage rates. In South Korea, the government started a push for a corporate 'value-up program', in which it plans to encourage a rerating of some of the most undervalued South Korean companies via tax benefits and other incentives. Emerging Asia led the performance, while Latin America lagged. China was the best market, followed by Peru. The worst markets were Egypt, South Africa and the Czech Republic. All EM sectors finished positively in February. Consumer discretionary, industrials and information technology were the best-performing sectors, while materials, consumer staples and energy posted the lowest gains. Oil prices increased modestly by 2.5%, while natural gas prices continued to fall by 11%. Both the precious and industrial metal indices were down again.

Expectation of fund manager

The environment is still challenging for global equity markets, as interest rates have risen significantly in 2023. On the positive side, inflation has come down, and we may have seen the peak in the main bond yields. Emerging markets seem relatively well positioned, with lower inflation in many countries and there is more room for interest rate cuts due to a more aggressive hiking cycle in the past years. Brazil and some other Latin American countries have already started to cut rates. Growth in emerging markets is holding up relatively well. In China, although the property sector remains weak, the economy is still growing by around 5%. Emerging equity markets are attractively valued relative to developed markets, with discounts of around 30% based on earnings multiples. Earnings growth this year has disappointed, but should recover next year, with 18% growth expected. 2024 will be an important political year with elections in countries like Taiwan, India, South Africa, Mexico and Indonesia. By and large, we do not expect a major change in policy direction in these countries.

Top 10 largest positions

TSMC and Samsung Electronics are two globally leading technology companies that combine good growth prospects with attractive valuations. The valuation for Chinese e-commerce company Alibaba has become much more attractive, while it still has positive growth opportunities. Naspers is a South Africa-listed holding company for Tencent and several other internet companies across emerging markets, and is trading at a large discount to the underlying value. Several banks from various emerging countries also appear in the top ten. Here we see attractive valuations and structural growth opportunities.

Fund price

29-02-24	USD	137.09
High Ytd (22-02-24)	USD	138.94
Low Ytd (17-01-24)	USD	124.34

Fees

Management fee	1.50%
Performance fee	15.00%
Service fee	0.20%

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, Finland, France, Germany, 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 and can engage in currency hedging transactions.

Risk management

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

Dividend policy

In principle, the fund does not intend to distribute dividend and so both the income earned by the fund and its overall performance are reflected in its share price.

Fund codes

ISIN	LU0337098114
Bloomberg	RGCEMDU LX
Sedol	B628W52
WKN	A0RJ0R
Valoren	3250266

Top 10 largest positions

Holdings	Sector	%
Taiwan Semiconductor Manufacturing Co Lt	Information Technology	9.78
Alibaba Group Holding Ltd	Consumer Discretionary	5.29
Samsung Electronics Co Ltd	Information Technology	4.64
Kia Corp	Consumer Discretionary	4.35
Naspers Ltd	Consumer Discretionary	3.97
Hana Financial Group Inc	Financials	3.71
Itau Unibanco Holding SA ADR	Financials	3.51
Petroleo Brasileiro SA ADR	Energy	3.43
Grupo Financiero Banorte SAB de CV	Financials	3.21
Vipshop Holdings Ltd ADR	Consumer Discretionary	2.97
Total		**44.85**

Top 10/20/30 weights

TOP 10	44.85%
TOP 20	68.97%
TOP 30	85.70%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	5.03	5.08
Information ratio	0.91	0.58
Sharpe ratio	-0.22	0.12
Alpha (%)	6.33	3.26
Beta	1.12	1.11
Standard deviation	20.36	21.63
Max. monthly gain (%)	17.36	17.36
Max. monthly loss (%)	-13.04	-19.37

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	24	37
Hit ratio (%)	66.7	61.7
Months Bull market	16	32
Months outperformance Bull	12	22
Hit ratio Bull (%)	75.0	68.8
Months Bear market	20	28
Months Outperformance Bear	12	15
Hit ratio Bear (%)	60.0	53.6

Above mentioned ratios are based on gross of fees returns.

Asset Allocation

Asset allocation	
Equity	97.7%
Cash	2.3%

Sector allocation

In February, the weight in consumer discretionary and information technology increased, while the weight in energy decreased. Information technology, financials and consumer discretionary remain the largest sectors in the fund. In these sectors we find the best opportunities for companies that combine good growth prospects with attractive valuations.

Sector allocation		Deviation index
Financials	30.0%	7.2%
Consumer Discretionary	25.0%	12.3%
Information Technology	23.0%	0.4%
Energy	5.1%	-0.4%
Real Estate	4.6%	3.0%
Communication Services	4.1%	-4.5%
Materials	2.8%	-4.3%
Consumer Staples	2.2%	-3.6%
Utilities	2.1%	-0.7%
Health Care	1.0%	-2.7%
Industrials	0.0%	-7.0%

Country allocation

In February, the weight in China, South Korea and Taiwan increased, while the weight in Hungary, South Africa and Mexico decreased. South Korea, China and Taiwan remain the largest countries in the portfolio.

Country allocation		Deviation index
China	23.7%	-2.1%
Korea	23.5%	11.0%
Taiwan	15.1%	-1.6%
Brazil	9.3%	3.8%
India	7.6%	-10.0%
South Africa	4.0%	1.3%
Mexico	3.2%	0.6%
Hungary	3.1%	2.8%
Indonesia	2.7%	0.8%
Thailand	2.6%	1.0%
Greece	1.9%	1.4%
United Arab Emirates (U.A.E.)	1.5%	0.3%
Other	2.0%	-9.0%

Currency allocation

The fund currently has no forward currency contracts.

Currency allocation		Deviation index
Korean Won	23.3%	10.8%
Hong Kong Dollar	16.1%	-3.5%
Taiwan Dollar	14.8%	-1.9%
Brasilian Real	9.0%	3.5%
Indian Rupee	7.4%	-10.2%
Chinese Renminbi (Yuan)	5.4%	0.8%
South African Rand	3.9%	1.2%
U.S. Dollar	3.6%	1.8%
Mexico New Peso	3.2%	0.6%
Hungarian Forint	3.0%	2.7%
Indonesian Rupiah	2.6%	0.7%
Thailand Baht	2.5%	0.9%
Other	5.2%	-7.3%

ESG Important information

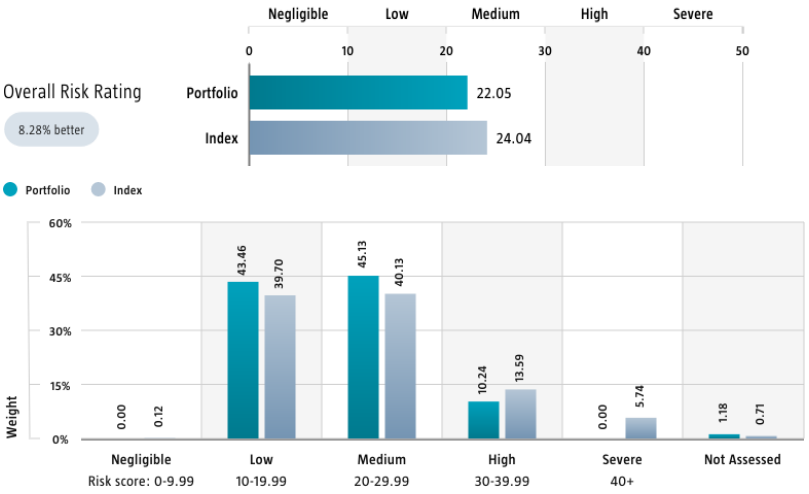
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to invest should take into account all characteristics or objectives of the fund as described in the prospectus. The prospectus is available on request and free of charge on the Robeco website.

Sustainability

The fund incorporates sustainability in the investment process through exclusions, ESG integration, engagement and voting. The fund does not invest in issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's exclusion policy. Financially material ESG factors are integrated in the bottom-up investment analysis to assess existing and potential ESG risks and opportunities. In the stock selection the fund limits exposure to elevated sustainability risks. In addition, where a stock issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement. Lastly, the fund makes use of shareholder rights and applies proxy voting in accordance with Robeco's proxy voting policy.
The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures.
The index used for all sustainability visuals is based on MSCI Emerging Markets Index (Net Return, USD).

Sustainalytics ESG Risk Rating

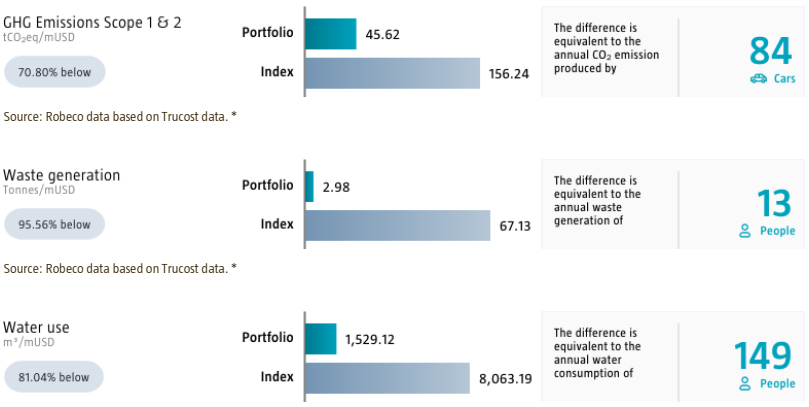
The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio allocations broken into Sustainalytics' five ESG risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+), providing an overview of portfolio exposure to the different ESG risk levels. Index scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.
Only holdings mapped as corporates are included in the figures.



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Environmental Footprint

Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted average, multiplying each assessed portfolio constituent's footprint by its respective position weight. For comparison, index footprints are shown besides that of the portfolio. The equivalent factors that are used for comparison between the portfolio and index represent European averages and are based on third-party sources combined with own estimates. As such, the figures presented are intended for illustrative purposes and are purely an indication. Only holdings mapped as corporates are included in the figures.



Source: Robeco data based on Trucost data. *

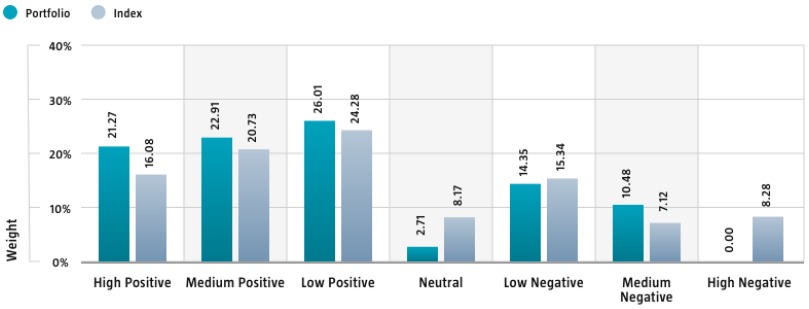
Source: Robeco data based on Trucost data. *

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SDG Impact Alignment

This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment with the relevant SDGs and assign a total SDG score. The score ranges from positive to negative impact alignment with levels from high, medium or low impact alignment. This results in a 7-step scale from -3 to +3. For comparison, index figures are provided alongside that of the portfolio. Only holdings mapped as corporates are included in the figures.



Source: Robeco. Data derived from internal processes.

Engagement

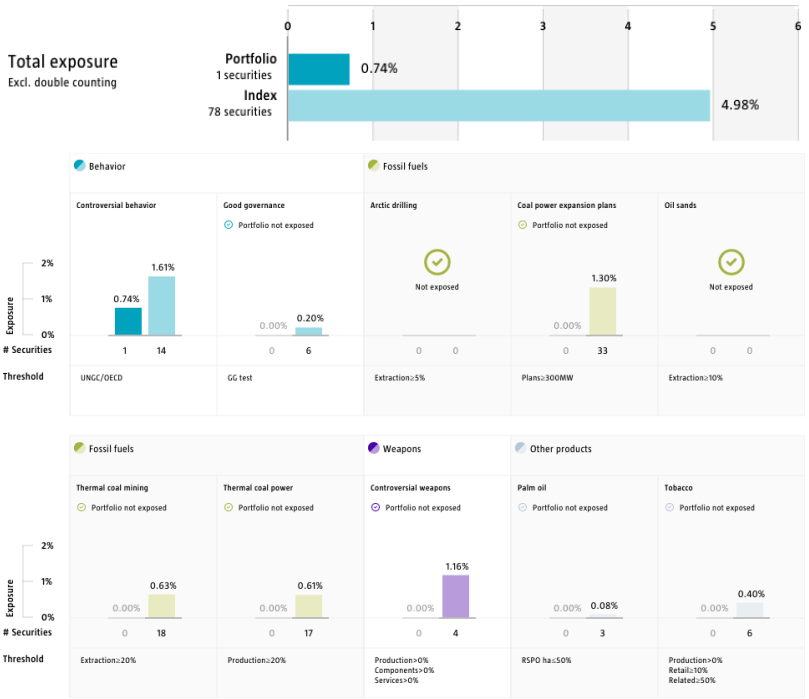
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching internationals standards. The report is based on all companies in the portfolio for which engagement activities have taken place during the past 12 months. Note that companies may be under engagement in multiple categories simultaneously. While the total portfolio exposure excludes double counting, it may not equal the sum of individual category exposures.

	Portfolio exposure	# companies engaged with	# activities with companies engaged with
Total (* excluding double counting)	49.96%	15	49
Environmental	15.32%	5	11
Social	16.25%	3	11
Governance	13.70%	5	17
Sustainable Development Goals	9.16%	2	6
Voting Related	5.04%	2	4
Enhanced	0.00%	0	0

Source: Robeco. Data derived from internal processes.

Exclusions

The Exclusions charts display the degree of adherence to exclusion applied by Robeco. For reference, index exposures are shown beside that of the portfolio. Thresholds are based on revenues unless otherwise indicated. For more information about the exclusion policy and which level applies, please refer to the Exclusion Policy and Exclusion List available on Robeco.com.



Source: We use several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, Freedom House, Fund for Peace and International Sanctions; further policy document available Exclusion Policy

Investment policy

Robeco Emerging Stars Equities is an actively managed fund that invests in emerging countries equities all over world. The selection of these shares is based on a fundamental analysis. The fund's objective is to achieve a better return than the index. The fund selects investments based on a combination of top-down country analysis and bottom-up stock selection. We focus on companies that have both a healthy and solid business model growth prospects as a reasonable valuation. The fund has a focused, concentrated portfolio with a small number of larger bets.
The fund promotes E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to, normative, activity-based and region-based exclusions, and proxy voting.
The majority of stocks selected will be components of the Benchmark, but stocks outside the Benchmark may be selected too. The fund can deviate substantially from the weightings of the Benchmark. The fund aims to outperform the Benchmark over the long run, whilst still controlling relative risk through the applications of limits (on VaR Ratio) to the extent of deviation from the Benchmark. This will consequently limit the deviation of the performance relative to the Benchmark. The Benchmark is a broad market weighted index that is not consistent with the ESG characteristics promoted by the fund.

Fund manager's CV

Jaap van der Hart is the Lead Portfolio Manager of Robeco's High Conviction Emerging Stars strategy. Over time, he has been responsible for the investments in South America, Eastern Europe, South Africa, Mexico, China and Taiwan. He also coordinates the country allocation process. He started his career in the investment industry in 1994 at Robeco's Quantitative Research department and moved to the Emerging Markets Equity team in 2000. Jaap holds a Master's in Econometrics from Erasmus University Rotterdam. He has published several academic articles on stock selection in emerging markets. Karnail Sangha is a Portfolio Manager within the Emerging Markets Equity team and provides analytical research coverage on India. He is Co-Portfolio Manager for the Emerging Stars and Sustainable Emerging Stars Equity strategies. Prior to joining Robeco in 2000, Karnail was a Risk Manager/Controller at Aegon Asset Management where he started his career in the industry in 1999. He holds a Master's in Economics from Erasmus University Rotterdam and is a CFA® charterholder. Karnail is also fluent in Hindi and Punjabi.

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.

Sustainability images

The figures shown in the sustainability visuals are calculated on subfund level.

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