

RobecoSAM Sustainable Food Equities D USD

RobecoSAM Sustainable Food Equities is an actively managed fund. The fund aims to outperform the benchmark over the long run. The fund invests in stocks in developed and emerging countries across the world. The selection of these stocks is based on fundamental analysis. The Fund focuses on investment opportunities arising from the ongoing food sector transformation. The management team aims to identify and invest in market leaders, which offer sustainable solutions for food quality and security, automation and processing, resource utilization, and consumer demand shifts. By combining RobecoSAM thematic research expertise with sustainability analysis, ESG criteria are fully integrated along the investment process across key sustainable food areas. An in-house Sustainability Investing (SI) research team integrates financially-material sector and company-specific sustainability analysis into investment cases.



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

Performance

	Fund	Index
1 m	9.93%	10.92%
3 m	-10.58%	-11.89%
Ytd	-13.45%	-12.43%
1 Year	-7.52%	-4.00%
2 Years	-4.09%	1.10%
3 Years	-0.81%	4.99%
5 Years	-1.26%	4.92%
Since 02-2011	0.62%	7.02%

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
2019	19.10%	27.67%
2018	-15.28%	-8.71%
2017	18.80%	22.40%
2016	6.65%	7.51%
2015	-13.68%	-0.87%
2017-2019	6.23%	12.57%
2015-2019	1.99%	8.74%

Annualized (years)

Fund price

30-04-20	USD	105.84
High Ytd (17-01-20)	USD	123.24
Low Ytd (23-03-20)	USD	83.71

Index

MSCI World Index TRN

General facts

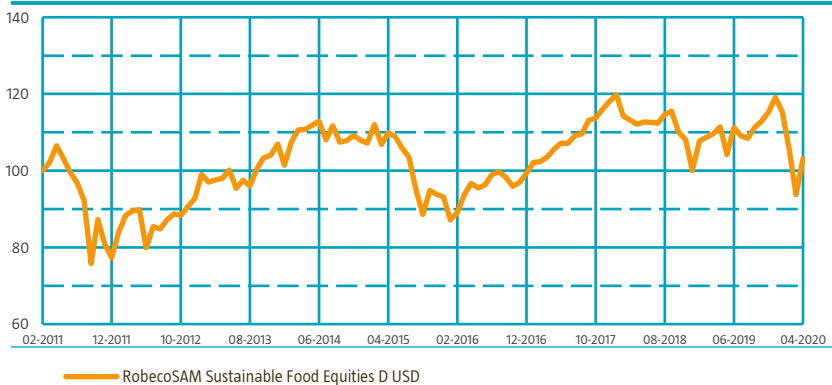
Morningstar	★★★★
Type of fund	Equities
Currency	USD
Total size of fund	USD 30,878,062
Size of share class	USD 419,704
Outstanding shares	3,965
1st quotation date	25-02-2011
Close financial year	31-12
Ongoing charges	1.71%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Luxembourg S.A.

Fees

Management fee	1.50%
Performance fee	None
Service fee	0.16%
Expected transaction costs	0.13%

Performance

Indexed value (until 30-04-2020) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 9.93%.

In April, all clusters contributed positively. The Production & Logistics cluster performed best, with salmon farmer Salmar (+18%) from Norway and building material providers such as West Fraser Timber (+48%) rebounding. For the latter, besides the positive structural case for renewable building materials from sustainably managed forests, the recent sell-off created a wide valuation discount, which partly reversed. The Sustainable Processing cluster also performed strongly, driven by automation and recycling names such as Zebra Technologies and Tomra. Zebra's reported results and outlook were good enough for investors to refocus on the secular growth opportunity for enhanced logistics technology. Food ingredient names such as US based IFF and Chr. Hansen from Denmark gained as well. Chr. Hansen posted an organic sales growth of 5% and confirmed its full year guidance, which was applauded by investors, especially in the current turbulent environment. Food Consumption was up, but not as much as the market; although tortilla and corn flour producer Gruma (+24%) outperformed following strong results. Food Security performed better, helped by strength in agtech names such as AGCO and SiteOne Landscape.

Market development

Equity markets rebounded in April after bottoming, for the time being, on 23 March, and the MSCI World finished up 11% (in EUR). The Sustainable Food strategy lagged the market in April, but significantly outperformed the broader food sector. As mobility restrictions succeeded to flatten the Covid-19 infection curve in major economies, investors adopted the view that a fast recovery is possible. Although economic data, such as the reported 30 million jobs lost in the US, was weak, fiscal stimuli now surpassing 8% of the world's GDP were believed to provide a strong enough offset. When asked how doing business will be different in the future, companies repeatedly mentioned global supply chains. Given the recent experience, inventory management is expected to see further technological upgrades, supporting the push for enhanced product tracing and control of waste production in logistics. In face of substantial stimulus packages, the European Commission is demanding a cleaner bounceback of the economy; for example by reusing resources instead of subsidizing fossil fuels or wasteful consumption.

Expectation of fund manager

The repercussions of the pandemic shutdown are expected to become more visible in upcoming reports of unemployment rates or manufacturing and service activity. With major economies now moving to ease social distancing measures, how steady the reopening unfolds and how well potential ripple effects of bankruptcies are contained, will be of particular importance. Assuming there will be no devastating second pandemic wave, the substantial combined stimulus has set the ground for an economic recovery that is gentle at the outset, but solid in the end. We expect companies with high innovation capabilities and strong cash flow generation to emerge from the current situation in a superior position. We consider providers of mechanization and environmentally friendly packaging solutions for food products to be major beneficiaries. Furthermore, we expect the ongoing consumer shift towards more conscious eating among the rising urban middle class to create new opportunities for investors.

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 in April.

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, Germany, 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

RobecoSAM Sustainable Food Equities integrates ESG at different stages of the investment process. We use sustainability performance rankings to focus our fundamental analysis on companies that have demonstrated superior sustainability performance compared to their peers. We then analyze the impact of financially material ESG factors to a company's competitive position and value drivers. We believe that this enhances our ability to understand existing and potential risks and opportunities of a company. If ESG risks and opportunities are significant, the ESG analysis could impact a stock's fair value and the portfolio allocation decision. Throughout the investment process, we strive for a low environmental impact, as measured by GHG emissions, energy consumption, water use and waste generation, with the aim of realizing 20% better levels than the index. In addition to ESG integration, Robeco conducts proxy voting and engagement activities focused on specific themes, such as climate change, aiming to improve a company's sustainability profile. Furthermore, the fund will not invest in companies exposed to the following controversial sectors or business practices: military contracting, controversial weapons, fire arms, UN Global Compact breaches, tobacco, palm oil and thermal coal, according to strict revenue thresholds.

Top 10 largest positions

Holdings	Sector	%
Zoetis Inc	Pharmaceuticals	4.86
Zebra Technologies Corp	Electronic Equipment & Instruments	3.62
Nomad Foods Ltd	Food Products	3.58
Kroger Co/The	Food & Staples Retailing	3.36
Packaging Corp Of America	Containers & Packaging	3.32
Unilever Nv	Personal Products	2.85
Mondi Plc	Paper & Forest Products	2.55
Costco Wholesale Corp	Food & Staples Retailing	2.52
West Fraser Timber Co Ltd	Paper & Forest Products	2.50
Gruma Sab De Cv	Food Products	2.46
Total		31.62

Top 10/20/30 weights

Top 10	31.62%
Top 20	51.52%
Top 30	68.63%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	4.53	4.87
Information ratio	-0.91	-0.88
Sharpe ratio	-0.07	-0.05
Alpha (%)	-3.62	-3.75
Beta	0.87	0.90
Standard deviation	14.55	13.70
Max. monthly gain (%)	10.17	10.17
Max. monthly loss (%)	-11.27	-11.27

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	16	26
Hit ratio (%)	44.4	43.3
Months Bull market	26	41
Months outperformance Bull	9	15
Hit ratio Bull (%)	34.6	36.6
Months Bear market	10	19
Months Outperformance Bear	7	11
Hit ratio Bear (%)	70.0	57.9

Above mentioned ratios are based on gross of fees returns.

Asset Allocation

Asset allocation		
Equity		96.6%
Cash		3.4%

Sector allocation

The fund invests according to four distinct investment clusters: 'Food Security' (agtech, plant nutrients, feed, seeds, plant protection): 11%; 'Production & Logistics' (animal farming & health, food logistics, forestry & plantations): 26%; 'Sustainable Processing' (automation & recycling, food analytics, processing & ingredients, food packaging): 35%; and 'Food Consumption' (fresh & packaged food, beverages, distribution, retail & e-commerce, away from home): 28%.

Sector allocation		Deviation index	
Food Products	<div><div></div></div> 23.8%	<div><div></div></div> 21.7%	
Chemicals	<div><div></div></div> 11.1%	<div><div></div></div> 8.8%	
Food & Staples Retailing	<div><div></div></div> 9.6%	<div><div></div></div> 8.0%	
Containers & Packaging	<div><div></div></div> 7.3%	<div><div></div></div> 7.0%	
Machinery	<div><div></div></div> 7.0%	<div><div></div></div> 5.1%	
Paper & Forest Products	<div><div></div></div> 6.7%	<div><div></div></div> 6.6%	
Life Sciences Tools & Services	<div><div></div></div> 5.5%	<div><div></div></div> 4.6%	
Electronic Equipment & Instruments	<div><div></div></div> 5.2%	<div><div></div></div> 4.2%	
Pharmaceuticals	<div><div></div></div> 4.9%	<div><div></div></div> -1.5%	
Road & Rail	<div><div></div></div> 4.4%	<div><div></div></div> 3.1%	
Personal Products	<div><div></div></div> 2.8%	<div><div></div></div> 2.0%	
Professional Services	<div><div></div></div> 2.3%	<div><div></div></div> 1.5%	
Other	<div><div></div></div> 9.4%	<div><div></div></div> -71.1%	

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 index	
America	<div><div></div></div>	58.6%	<div><div></div></div>	-10.2%
Europe	<div><div></div></div>	36.7%	<div><div></div></div>	17.5%
Asia	<div><div></div></div>	4.7%	<div><div></div></div>	-7.1%
Middle East	<div><div></div></div>	0.0%	<div><div></div></div>	-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 index	
US Dollar	<div><div></div></div>	50.1%	<div><div></div></div>	-15.8%
European Euro	<div><div></div></div>	13.6%	<div><div></div></div>	4.1%
Canadian Dollar	<div><div></div></div>	6.7%	<div><div></div></div>	3.6%
Norwegian Krone	<div><div></div></div>	5.6%	<div><div></div></div>	5.4%
United Kingdom Pound Sterling	<div><div></div></div>	4.3%	<div><div></div></div>	-0.4%
Swedish Krona	<div><div></div></div>	4.3%	<div><div></div></div>	3.4%
Swiss Franc	<div><div></div></div>	4.1%	<div><div></div></div>	0.8%
Danish Kroner	<div><div></div></div>	3.3%	<div><div></div></div>	2.6%
Mexican Peso	<div><div></div></div>	2.4%	<div><div></div></div>	2.4%
Japanese Yen	<div><div></div></div>	2.0%	<div><div></div></div>	-6.1%
New Zealand Dollar	<div><div></div></div>	1.4%	<div><div></div></div>	1.3%
Australian Dollar	<div><div></div></div>	1.1%	<div><div></div></div>	-0.9%
Other	<div><div></div></div>	1.1%	<div><div></div></div>	-0.4%

Investment policy

Our investment philosophy is grounded in the core belief that the integration of ESG factors into a disciplined, research-driven investment process leads to better-informed investment decisions and better risk-adjusted returns through an economic cycle.

Building on our proprietary data and research, we identify companies that generate a competitive advantage through sound business practices, efficiency improvements, and the creation of new solutions for the myriad challenges facing society over the coming decades.

Taking a long-term investment perspective, we analyze companies' business models, market positioning and growth potential, and evaluate their financial performance and valuation. Based on this fundamental assessment, we seek to uncover attractive investment opportunities and implement them in concentrated, conviction-based equity portfolios.

Fund manager's CV

Holger Frey is Senior Portfolio Manager in the trends & thematic equities team responsible for managing the RobecoSAM Circular Economy Equities Strategy. He joined RobecoSAM in May 2016 for managing the RobecoSAM Sustainable Food Strategy. Prior to joining RobecoSAM, Holger worked for 10 years as a Portfolio Manager and Analyst for Sustainable Equities at DWS. In this role he served also as the lead Portfolio Manager of the DWS Water Sustainability Fund. Prior to that, he worked as a financial services consultant for KPMG Consulting/Bearing Point in the Asset & Wealth Management Practice Group 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 (Germany), a Bachelor's of Arts degree in Musicology from the Johann Wolfgang Goethe University in Frankfurt, and is a Chartered Alternative Investment Analyst (CAIA).

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.

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