

## Robeco QI Emerging Conservative Equities M USD

Robeco QI Emerging Conservative Equities invests in low-volatile stocks in emerging markets across the world. The fund's long-term aim is to achieve returns comparable to those on emerging-markets stocks, but at a distinctly lower level of downside risk. The selection of these low-volatile stocks is carried out using a quantitative model, which ranks stocks in a variety of ways, including market sensitivity, volatility, distress risk, valuation and sentiment.



Jan Sytze Mosselaar, Arlette van Ditshuizen, Maarten Polfliet, Pim van Vliet, Arnoud Klep  
Fund manager since 14-02-2011

### Performance

	Fund	Index
1 m	3.90%	5.47%
3 m	-0.95%	0.84%
Ytd	3.90%	5.47%
1 Year	14.13%	25.41%
2 Years	-4.15%	-0.41%
3 Years	-0.70%	1.44%
Since 03-2013	-2.16%	-0.73%

Annualized (for periods longer than one year)

### Calendar year performance

	Fund	Index
2016	7.22%	11.19%
2015	-16.97%	-14.92%
2014	0.33%	-2.19%
2014-2016	-3.69%	-2.55%

Annualized (years)

### Fund price

31-01-17	USD	91.93
High Ytd (31-01-17)	USD	91.93
Low Ytd (04-01-17)	USD	89.00

### Reference index

MSCI Emerging Markets Index (Net Return) (USD)

### General facts

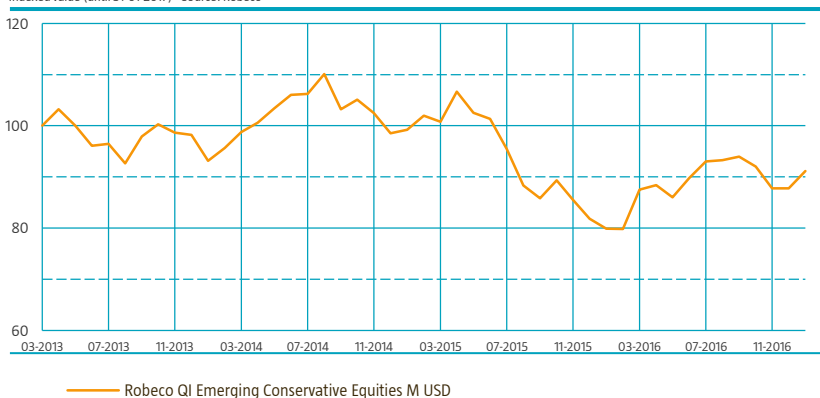
Morningstar	★★★★
Type of fund	Equities
Currency	USD
Total size of fund	USD 3,954,273,020
Size of share class	USD 719,432
Outstanding shares	7,786
1st quotation date	27-03-2013
Close financial year	31-12
Ongoing charges	2.22%
Daily tradable	Yes
Dividend paid	No
ex-ante RatioVaR limit	100.00%
Management company	Robeco Luxembourg S.A.

### Fees

Management fee	2.00%
Performance fee	None
Service fee	0.12%

### Performance

Indexed value (until 31-01-2017) - Source: Robeco



### Performance

Based on transaction prices, the fund's return was 3.90%.

The low-risk factors (volatility, beta and distress) detracted from performance, while both valuation and momentum contributed positively. Overall, the contribution from single stock holdings was quite diverse without any large outliers. The fund lagged the market as cyclical sectors like information technology and the more cyclical materials companies outperformed more defensive sectors like consumer staples and healthcare. Our factor-based stock selection approach results in active country and sector positions. Typically, the selection effect, through small contributions from many different stocks, dominates the allocation effect. In January, negative relative contributions came from not holding Chinese tech companies like Alibaba and Tencent, but also from holding Chinese banks like China Construction Bank, Agricultural Bank of China and Bank of China. Furthermore, not holding well-performing material companies like Vale (Brazil) and Cemex (Mexico) detracted from relative performance. Positive contributions came from holding tech companies Elite Material (Taiwan) and AAC Technologies (China) while avoiding Indian tech company Infosys. The MSCI EM Minimum Volatility Index returned just +0.15%, thereby lagging the index by 2.79%.

### Market development

Emerging markets did very well on the back of the weaker dollar and the MSCI Emerging Markets rose 5.5%, the strongest start to a year since 2012. The MSCI World All Country Index (in EUR) increased by 0.3%. In January, materials continued to rally, while energy stocks were among the weakest performers. Consumer discretionary stocks, one of last year's laggards, also did well despite many profit warnings in the retail industry. The Standard & Poor's 500 Index rose 1.8% while European shares, measured by the FTSE Eurotop 100 Index, dropped 1.0% as the euro rose 2.7% to 1.08 versus the dollar. In Japan, the Topix Index managed to eke out a gain of 0.2%.

### Expectation of fund manager

The Emerging Conservative Equities fund invests in low-volatility stocks with limited expected downside risk and good upside potential. Relatively stable stocks tend to be overlooked by investors, and offer relatively high long-term returns compared to their risk profile. We expect the fund to do particularly well during 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 emerging-market returns, but with considerably lower downside risk.

### 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Top 10 largest positions

The top ten positions are primarily the result of the fact that these large 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 IV Yes  
 Share class M USD  
 This fund is a subfund of Robeco Capital Growth Funds, SICAV

### Registered in

Chile, Luxembourg, Singapore, Spain, Switzerland

### Currency policy

Currency risk will not be hedged. Exchange-rate fluctuations will therefore directly affect the fund's share price.

### 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 LU0910073559  
 Bloomberg REMCMUA LX  
 Sedol BQT3XM4

### ESG integration policy

Environment, Social and Governance (ESG) factors are systematically integrated in the highly disciplined investment process, by using the ESG scores of the 2.500 largest companies from the annual RobecoSAM Corporate Sustainability Assessment. The average ESG score of the portfolio is at least as high as the ESG score of the benchmark. 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	%
Samsung Electronics Co Ltd	Information Technology	2.14
Industrial & Commercial Bank Of China Lt	Financials	1.99
China Construction Bank Corp	Financials	1.96
Bank Of China Ltd	Financials	1.86
Sk Hynix Inc	Information Technology	1.72
Lukoil Pjsc Adr	Energy	1.66
China Mobile Ltd	Telecommunication Services	1.44
Equatorial Energia Sa	Utilities	1.27
Telekomunikasi Indonesia Persero Tbk Pt	Telecommunication Services	1.27
Agricultural Bank Of China Ltd	Financials	1.27
<b>Total</b>		<b>16.58</b>

### Top 10/20/30 weights

Top 10	16.58%
Top 20	28.28%
Top 30	38.27%

### Statistics

	3 Years
Information ratio	0.11
Sharpe ratio	0.11
Alpha (%)	0.50
Beta	0.81
Standard deviation	13.45
Max. monthly gain (%)	10.94
Max. monthly loss (%)	-7.16

Above mentioned ratios are based on gross of fees returns.

### Hit ratio

	3 Years
Months outperformance	19
Hit ratio (%)	52.8
Months Bull market	21
Months outperformance Bull	9
Hit ratio Bull (%)	42.9
Months Bear market	15
Months Outperformance Bear	10
Hit ratio Bear (%)	66.7

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		99.5%
Cash		0.5%

### Sector allocation

The Emerging 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 telecom services and utilities 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 reference index	
Financials	18.4%	-5.8%	
Information Technology	17.9%	-6.0%	
Telecommunication Services	11.8%	6.0%	
Utilities	10.5%	7.7%	
Materials	9.7%	2.0%	
Energy	8.2%	0.5%	
Consumer Staples	7.3%	0.3%	
Consumer Discretionary	7.2%	-3.0%	
Industrials	5.4%	-0.3%	
Real Estate	2.6%	0.0%	
Health Care	1.0%	-1.4%	

### Country allocation

The Emerging 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 Taiwan and Malaysia are high compared to regular market capitalization weighted indices. This is due to the fact that these countries contain a relatively large number of stable stocks which are attractively priced.

Country allocation			Deviation Reference index		
Taiwan	<div><div></div></div>	20.4%		<div><div></div></div>	8.3%
China	<div><div></div></div>	17.8%	<div><div></div></div>		-9.0%
Korea	<div><div></div></div>	10.6%		<div><div></div></div>	-4.1%
Brazil	<div><div></div></div>	9.2%		<div><div></div></div>	1.1%
Russia	<div><div></div></div>	7.6%		<div><div></div></div>	3.3%
Thailand	<div><div></div></div>	6.7%		<div><div></div></div>	4.4%
Malaysia	<div><div></div></div>	6.6%		<div><div></div></div>	4.1%
Mexico	<div><div></div></div>	4.7%		<div><div></div></div>	1.3%
India	<div><div></div></div>	3.2%	<div><div></div></div>		-5.0%
South Africa	<div><div></div></div>	2.6%	<div><div></div></div>		-4.3%
Turkey	<div><div></div></div>	2.2%		<div><div></div></div>	1.2%
Indonesia	<div><div></div></div>	1.9%		<div><div></div></div>	-0.6%
Other	<div><div></div></div>	6.5%		<div><div></div></div>	-0.7%

### Investment policy

The Robeco QI Emerging Conservative Equity fund's objective is to deliver long-term equity returns at distinctly lower risk than that of a market capitalization weighted index. It aims to achieve a higher Sharpe ratio than equities in the long term. The fund invests in stocks that show lower volatility combined with good upside potential. It combines the outcome of a stock selection model with a disciplined portfolio construction algorithm. This prudent investment approach results in a low turnover portfolio of low-volatile stocks with low valuation and positive market sentiment. This Sub-fund may invest in China A-shares via the QFII and/or a Stock Connect Programme which may entail additional clearing and settlement, regulatory, operational and counterparty risks.

### Fund manager's CV

Mr. Mosselaar is a Portfolio Manager within the Quantitative Equities team. His primary responsibility is Robeco's Low-volatility strategies, called Conservative Equities. He started his career in 2004 at Robeco and worked for 10 years as a Senior Portfolio Manager in the Robeco Asset Allocation department, managing multi-asset allocation funds, quant allocation funds and fiduciary pension mandates. He also was part of Robeco's Asset Allocation Committee. Mr. Mosselaar holds a Master's degree in Business Economics with a specialization in Finance & Investments from the University of Groningen. He is a CFA charter holder. Ms. Van Ditshuizen is a Portfolio Manager within the Quantitative Equities team. Her primary responsibility is Robeco's Low-volatility strategies, called Conservative Equities. Previously she was Risk Manager with Robeco for two years and held a position as Senior Portfolio Manager and Head of Derivatives Structures with Robeco for six years. Arlette started her career in 1997 at Robeco. She is a graduate from the Erasmus University Rotterdam and holds a Master's degree in Econometrics. Mr. Polfliet is a Portfolio Manager within the Quantitative Equities team. His primary responsibilities are Robeco's Value and Low-volatility strategy, 'Conservative Equities'. Previously, he was Client Portfolio Manager within the Quantitative Equities team. He started his career as a portfolio manager for private and institutional clients at SNS Bank Nederland in 1999. From 2002 he worked at Bank Insinger de Beaufort as portfolio manager for its Dutch Equity Fund, before joining Robeco in 2005. Having gained a Master's degree in Financial Economics at Tilburg University, he was subsequently awarded his Masters in Financial Analysis by the the University of Amsterdam. Mr. Van Vliet is a Portfolio Manager within the Quantitative Equities team. His primary responsibility is Robeco's Low-volatility strategies, called Conservative Equities. Pim joined Robeco in 2005 as a Senior Quantitative Researcher with responsibility for asset allocation research. He has published in the Journal of Banking and Finance, Management Science, the Journal of Portfolio Management and other academic journals. He is a guest lecturer at several universities and advocates low-volatility investing at international seminars. He is the author of a number of academic research papers and a book on the topic of low-volatility investing. Pim holds a PhD and MSc (cum laude) in Financial and Business Economics from Erasmus University Rotterdam. Mr. Klep is a Portfolio Manager within the Quantitative Equities team. His primary responsibility is Robeco's Low-volatility strategy 'Conservative Equities'. Previously Arnoud 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 0.05% 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 on balance 1.2% of 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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