

## Robeco Asian Stars Equities D EUR

Robeco Asian Stars Equities is an actively managed fund that invests in stocks of the most attractive companies in Asia. The selection of these stocks is based on fundamental analysis. The fund's focus is on the high-growth developing countries in the region. The fund focuses on stock selection and has a concentrated portfolio.



**Vicki Chi, Joshua Crabb**  
Fund manager since 01-04-2022

### Performance

	Fund	Index
1 m	-3.31%	-3.70%
3 m	0.02%	2.21%
Ytd	-8.33%	-14.41%
1 Year	-8.33%	-14.41%
2 Years	3.21%	-6.33%
3 Years	5.22%	0.21%
5 Years	3.52%	1.73%
10 Years	6.55%	5.78%
Since 03-2011	7.45%	6.08%

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
2022	-8.33%	-14.41%
2021	16.21%	2.52%
2020	9.37%	14.70%
2019	20.20%	20.34%
2018	-15.09%	-10.05%
2020-2022	5.22%	0.21%
2018-2022	3.52%	1.73%

Annualized (years)

### Index

MSCI AC Asia ex Japan Index (Net Return, EUR)

### General facts

Morningstar	★★★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 28,977,995
Size of share class	EUR 5,115,222
Outstanding shares	21,934
1st quotation date	18-03-2011
Close financial year	31-12
Ongoing charges	1.50%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.

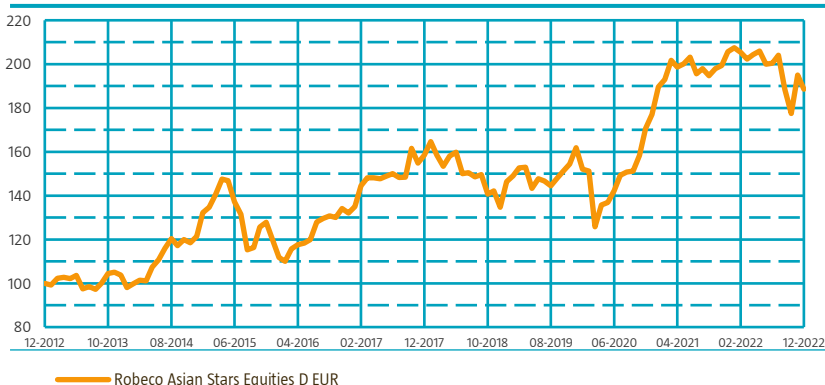
### Sustainability profile

- Exclusions
- ESG Integration
- Voting & Engagement

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

### Performance

Indexed value (until 31-12-2022) - Source: Robeco



### Performance

Based on transaction prices, the fund's return was -3.31%.

The portfolio was in line with its benchmark. Our stock selection was good in Taiwan and South Korea, but detracted in China and Indonesia. China saw a strong rebound of growth stocks, which were sold off previously. We continue to position for earnings recovery into 2023 and believe earnings will drive share performance after the initial rebound. In terms of sectors, consumer discretionary and IT stocks contributed positively, while financials and communication services lagged. On the positive side, Chinese medical equipment and consumable company Shandong Weigao, luxury auto dealer China Yongda and home appliances maker Midea participated in the rally as investors regain interest in China. Philippine conglomerate Alliance Global rallied on China reopening prospects as air passenger volumes surged. Vietnamese IT services and telecom company FPT reported in line results, but is still optimistic on Japanese IT services demand. On the other side, not owning Tencent, AIA and other Chinese growth stocks detracted this month. Our bank holdings in India (ICICI Bank) and Indonesia (Bank Mandiri) dropped back after very strong performance earlier in the year.

### Market development

After a strong November, Asian equities (-0.4%) outperformed global markets (-4.0%) again in December. For the full year of 2022, Asian markets started weak, rebounded towards year-end and lost 21.5%, underperforming global equities, which lost 19.8% in the same period. In December, the Fed raised the Fed funds rate to a 15-year high and maintained its hawkish tone. The BoJ signaled a change in yield curve control policy, taking the 10-year LGB yields from 0.25% to 0.42%. Hong Kong (+8.1%) and China (+5.2%) further rebounded in December, celebrating the end of the zero-Covid policy and new measures focused on economic growth in 2023. Tech-heavy South Korea (-6.2%) and Taiwan (-5.6%) were dragged down by weak tech sentiment from the US as semiconductor and software companies announced capex cuts and layoffs. India (-5.5%) remained out of favor as the INR depreciated against the USD and weaker-than-expected activity data was reported. ASEAN (-0.4%) performed in line with the region, with Thailand (+3.8%) and Indonesia (-4.6%) at the two ends of the spectrum.

### Expectation of fund manager

Asian markets came back into favor as China abandoned its zero-Covid policy. Although there is still uncertainty surrounding the pace of reopening, the worst case scenario of a sustained lockdown is finally out of the picture. The first rally of the low saw many heavily shorted stocks with weak earnings prospects outperforming. While we are positioned for reopening, we select companies with a solid business model that can deliver stronger earnings recovery into next year. Although with growth slowing there will be mounting earnings risks, the sounder fiscal and monetary policy that has been adopted in Asia should make markets more resilient than in the past. A trip to ASEAN recently confirmed that investment and growth continue to be robust, despite some inflationary pressures, especially in Indonesia. Concerns over growth are likely to remain in cyclical sectors such as tech hardware, but asset-based valuations are getting closer to a trough and this should provide a floor. India remains a good long-term story, but the high valuations keep us on the sidelines for now. The fund's portfolio (43 stocks) is good value at 10.0x forward earnings, 5.5x cash flow, 1.1x book and 13.9% ROE.

### Top 10 largest positions

We like the technology value chain in Asia and expect the companies to structurally benefit from strong demand. SK hynix and TSMC are the best exposures in our view. In Asia, where monetary policy still has room to expand and long-term growth in loans is still on the horizon, we select high-quality banks such as DBS, Bank Mandiri and ICICI Bank. We also have a strong focus on cash flow and like underappreciated stocks with solid fundamentals. Alibaba, FPT, Shandong Weigao, HCL Technologies, China Petroleum & Chemical, China Overseas Land and Jardine Cycle & Carriage are good examples of this.

### Fund price

31-12-22	EUR	233.34
High Ytd ()	EUR	262.82
Low Ytd ()	EUR	219.36

### Fees

Management fee	1.25%
Performance fee	15.00%
Service fee	0.20%
Expected transaction costs	0.26%

### Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)	
Issue structure	Open-end
UCITS V	Yes
Share class	D EUR
This fund is a subfund of Robeco Capital Growth Funds, SICAV	

### Registered in

Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Singapore, Spain, Sweden, 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 dividends

### Fund codes

ISIN	LU0591059224
Bloomberg	ROBASEQ LX
Sedol	B8FR926
WKN	A1JGUS
Valoren	12465560

### Top 10 largest positions

#### Holdings

Alibaba Group Holding Ltd	Consumer Discretionary	5.76
ICICI Bank Ltd ADR	Financials	5.34
Bank Mandiri Persero Tbk PT	Financials	5.31
Shandong Weigao Group Medical Polymer Co	Health Care	4.26
Taiwan Semiconductor Manufacturing Co Lt	Information Technology	3.94
FPT Corp	Information Technology	3.46
China Overseas Land & Investment Ltd	Real Estate	3.29
DBS Group Holdings Ltd	Financials	3.10
Jardine Cycle & Carriage Ltd	Industrials	3.07
China Oilfield Services Ltd	Energy	2.93
<b>Total</b>		<b>40.48</b>

### Top 10/20/30 weights

TOP 10	40.48%
TOP 20	66.44%
TOP 30	86.19%

### Statistics

	3 Years	5 Years
Tracking error ex-post (%)	6.41	5.63
Information ratio	1.04	0.64
Sharpe ratio	0.43	0.37
Alpha (%)	6.79	3.82
Beta	0.90	0.89
Standard deviation	16.79	15.23
Max. monthly gain (%)	10.05	10.05
Max. monthly loss (%)	-15.24	-15.24

Above mentioned ratios are based on gross of fees returns.

### Hit ratio

	3 Years	5 Years
Months outperformance	23	34
Hit ratio (%)	63.9	56.7
Months Bull market	20	35
Months outperformance Bull	12	17
Hit ratio Bull (%)	60.0	48.6
Months Bear market	16	25
Months Outperformance Bear	11	17
Hit ratio Bear (%)	68.8	68.0

Above mentioned ratios are based on gross of fees returns.

### 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.

### Asset Allocation

Asset allocation	
Equity	100.4%
Cash	-0.4%

### Sector allocation

The fund is well represented in IT, financials and consumer stocks. We believe Asia has a competitive advantage in technology and this is one of the key reasons why investors should overweight Asia. We favor high-quality, attractively valued stocks in IT hardware and semiconductors exposed to long-term growth trends in the Internet of Things, 5G and AI. We are selective in our direct internet exposures, avoiding high multiples with unrealistic earnings expectations. We find that the consumer space in Asia offers exciting long-term winners that will grow with an increasing shift towards consumption in the region. Financial inclusion and growth of wealth in Asia will drive profits to the best-positioned financial companies in the coming decade, whether it is insurance, retail banking or fintech. We like financials with a prudent capital buffer, attractive valuation and structural growth potential in the region. We have increased our exposure to utilities in the region with an attractive valuation and participating in the energy transition for long-term carbon neutrality goals.

Sector allocation		Deviation index
Financials	24.1%	2.6%
Information Technology	19.7%	-1.3%
Consumer Discretionary	18.2%	3.2%
Health Care	9.7%	5.6%
Industrials	8.8%	2.0%
Real Estate	5.1%	1.1%
Communication Services	4.6%	-5.3%
Utilities	3.7%	0.6%
Consumer Staples	3.1%	-2.4%
Energy	2.9%	-0.8%
Materials	0.0%	-5.4%

### Country allocation

In general, we like countries that are attractively priced on cash flow in relation to returns on capital invested. The portfolio is heavy in China, South Korea and Taiwan. China reversed its zero-Covid policy and embraced reopening. We saw supportive measures being taken positively after the party congress and expect more to come. The market rallied from the low, with much extreme pessimistic views priced in. The next stage will be about stock selection and earnings recovery. China is now a great market for stock pickers like us. The Korean government's reform agenda on corporate governance remains a clear positive and should result in higher returns to shareholders. India's earnings revision is turning positive, but can a private sector capex cycle actually come through? Valuation seems to have already priced that in. Indonesia is a beneficiary of higher commodity prices and reopening, we find both good valuation and earnings revision here. We like Vietnam on its positive long-term earnings growth outlook combined with low valuations.

Country allocation		Deviation index
China	43.1%	6.6%
Korea	14.1%	1.3%
Taiwan	9.4%	-6.2%
India	8.3%	-8.0%
Indonesia	8.2%	6.0%
Singapore	6.2%	2.4%
Hong Kong	4.0%	-3.7%
Philippines	3.5%	2.7%
Viet Nam	3.5%	3.5%
Malaysia	0.0%	-1.8%
Thailand	0.0%	-2.5%
Cash and other instruments	0.0%	0.0%

### Currency allocation

The dollar index fell 2.3% as the pace of Federal Reserve interest rate hikes begins to slow amid signs that inflation risks are beginning to lessen. The Korean won (+4.6%), Chinese yuan (+2.8%) and Singapore dollar (+1.6%) were the best-performing Asian currencies, while the Indian rupee (-1.6%), HK dollar (+0.1%) and Taiwanese dollar (+0.3%) were the worst performers.

Currency allocation		Deviation index
Hong Kong Dollar	41.1%	4.6%
Korean Won	14.4%	1.6%
Taiwan Dollar	9.5%	-6.1%
Indian Rupee	8.3%	-8.0%
Indonesian Rupiah	8.2%	6.0%
Singapore Dollar	6.2%	2.4%
Chinese Renminbi (Yuan)	5.1%	-0.9%
Vietnam Dong	3.8%	3.8%
Philippine Peso	3.5%	2.7%
U.S. Dollar	-0.3%	-2.0%
Other	0.0%	-4.3%

## Investment policy

Robeco Asian Stars Equities is an actively managed fund that invests in stocks of the most attractive companies in Asia. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than the index. 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, proxy voting and engagement. The fund's focus is on the high-growth developing countries in the region. The fund focuses on stock selection and has a concentrated portfolio. The majority of stocks selected through this approach will be components of the Benchmark, but stocks outside the Benchmark index 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

Vicki Chi is Portfolio Manager in the Asia Pacific team with a focus on Taiwan and China. Prior to joining this team in 2014, she was an Analyst in the Robeco Emerging Markets team where she covered Chinese stocks in the telecom and banking sector. Vicki started her career in 2006 at Robeco. She is a native speaker of Mandarin Chinese and holds a Master's in Business Administration from Erasmus University Rotterdam. She also is a CFA® charterholder. Joshua Crabb is Lead Portfolio Manager and Head of Asia Pacific Equities. Before joining Robeco in 2018, Joshua was Head of Asian Equities at Old Mutual and Portfolio Manager at BlackRock and Prudential in Hong Kong. He started his career in the investment industry as Sector Analyst at BT Financial Group in 1996. Joshua holds a Bachelor's with Honors in Finance from the University of Western Australia and he is a CFA® 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.

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