

Robeco Emerging Stars Equities F EUR

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	-3.06%	-4.23%
3 m	-0.29%	-3.41%
Ytd	5.22%	1.54%
1 Year	-6.91%	-10.28%
2 Years	-4.55%	-6.94%
3 Years	2.15%	2.16%
5 Years	1.22%	0.92%
10 Years	4.46%	3.66%
Since 11-2006	5.86%	4.57%

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	-15.16%	-14.85%
2021	8.49%	4.86%
2020	0.82%	8.54%
2019	29.28%	20.61%
2018	-14.02%	-10.27%
2020-2022	-2.46%	-1.04%
2018-2022	0.62%	0.96%

Annualized (years)

Index

MSCI Emerging Markets Index (Net Return, EUR)

General facts

Morningstar	★★★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 1,548,823,837
Size of share class	EUR 255,150,949
Outstanding shares	1,466,206
1st quotation date	04-07-2012
Close financial year	31-12
Ongoing charges	1.05%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.
Management company	Robeco Institutional Asset Management B.V.

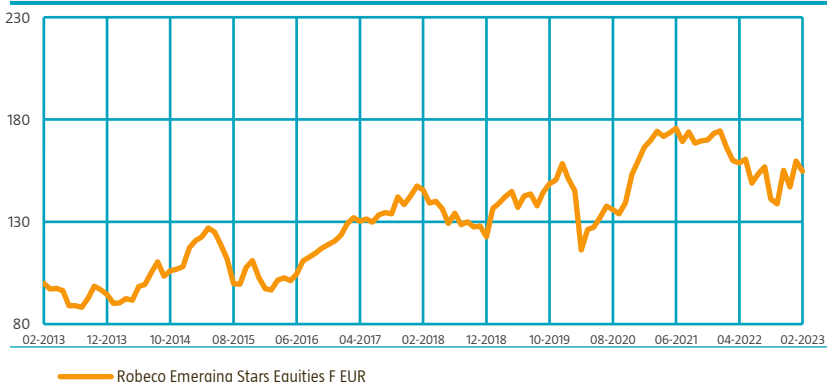
Sustainability profile

- Exclusions
- ESG Integration
- Voting & Engagement

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

Performance

Indexed value (until 28-02-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -3.06%.

In February, the fund outperformed the MSCI Emerging Markets Index due to both country allocation and stock selection. The largest positive contributions came from the underweight position in China and a positive stock selection result in Brazil, India, South Korea and Taiwan. Taiwanese server company Wiyynn made the largest positive contribution, as the stock benefited from positive sentiment on AI and potential demand growth for AI servers. Other portfolio holdings that performed relatively well included Brazilian financial Itaú Unibanco, Greek financial Alpha Services, South Korean car company Kia and Mexican financial Banorte. The largest negative contributors in February were the positions in Chinese internet company Alibaba, South Korean Hana Financial and Vietnamese property developer Vinhomes.

Market development

In February, emerging markets declined by 4.2% in euro terms, performing worse than developed markets, which were down 0.1%. One important driver was the increase in US bond yields, as the outlook for the potential Fed interest rate cuts became less optimistic. Also, geopolitical risks between China and the US came to the foreground again, among others due to the Chinese balloon flying over the US. China was therefore one of the worst-performing countries in February, together with Thailand, Colombia, Brazil, South Africa and Saudi Arabia. The best-performing countries were the Czech Republic, Greece and Turkey. Turkey experienced a very severe earthquake, but the market was higher as the government instructed banks and state pension funds to support the equity market.

Expectation of fund manager

The global environment is still challenging for equity markets, with high inflation across the world, growth slowing down and the main central banks raising interest rates to fight inflation. On the margin, however, the outlook is improving, as inflation is likely to peak and already declining in some countries, and global central banks may slow the hiking process. Emerging markets were early in hiking interest rates this cycle, so they are now also closer to the peak. Finally, the economic outlook in China is improving, as it has ended the strict Covid measures and has announced more economic policy support. After this year's correction, market valuations have become more attractive, and in particular for emerging markets they are now at longer-term averages. In addition, emerging markets are attractively valued relative to developed markets with discounts of more than 30% based on earnings multiples.

Top 10 largest positions

TSMC and Samsung Electronics are two globally leading technology companies that combine good growth prospects with attractive valuations. Chinese e-commerce company Alibaba is a relatively new top ten holding. Its valuation 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, structural growth opportunities, and shorter-term benefit from rising rates.

Fund price

28-02-23	EUR	174.03
High Ytd (26-01-23)	EUR	184.21
Low Ytd (02-01-23)	EUR	165.12

Fees

Management fee	0.80%
Performance fee	15.00%
Service fee	0.20%
Expected transaction costs	0.09%

Legal status

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

Registered in

Belgium, Finland, France, Luxembourg, Netherlands, Singapore, Spain, Switzerland

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	LU0792910050
Bloomberg	RGCEMFE LX
WKN	A1161P
Valoren	18786529

Top 10 largest positions

Holdings

Taiwan Semiconductor Manufacturing Co Lt
Samsung Electronics Co Ltd
Naspers Ltd
Alibaba Group Holding Ltd
Kia Corp
Grupo Financiero Banorte SAB de CV
Hana Financial Group Inc
China Resources Land Ltd
Itau Unibanco Holding SA ADR
ICICI Bank Ltd ADR
Total

Sector	%
Information Technology	8.58
Information Technology	5.04
Consumer Discretionary	5.00
Consumer Discretionary	5.00
Consumer Discretionary	3.32
Financials	3.21
Financials	3.16
Real Estate	2.82
Financials	2.78
Financials	2.67
Total	41.57

Top 10/20/30 weights

TOP 10	41.57%
TOP 20	64.43%
TOP 30	81.85%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	5.88	5.37
Information ratio	0.18	0.25
Sharpe ratio	0.16	0.14
Alpha (%)	1.13	1.49
Beta	1.15	1.10
Standard deviation	20.48	18.04
Max. monthly gain (%)	12.65	12.65
Max. monthly loss (%)	-19.28	-19.28

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	21	34
Hit ratio (%)	58.3	56.7
Months Bull market	21	34
Months outperformance Bull	14	23
Hit ratio Bull (%)	66.7	67.6
Months Bear market	15	26
Months Outperformance Bear	7	11
Hit ratio Bear (%)	46.7	42.3

Above mentioned ratios are based on gross of fees returns.

Changes

Performance prior to the launch date is based on the performance of a comparable share class with higher cost base.

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		99.0%
Cash		1.0%

Sector allocation

In February, there were no significant changes in sector weights. 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	28.9%	7.2%
Information Technology	25.1%	4.9%
Consumer Discretionary	24.8%	11.2%
Real Estate	5.4%	3.5%
Energy	4.9%	0.2%
Materials	3.8%	-5.0%
Consumer Staples	3.1%	-3.3%
Utilities	2.7%	0.1%
Health Care	1.2%	-2.7%
Communication Services	0.0%	-10.3%
Industrials	0.0%	-6.0%

Country allocation

There were no large changes in positioning in February. The weight in China slightly decreased, while the weight in Taiwan and India increased. South Korea, China and Taiwan remain the largest countries in the portfolio.

Country allocation		Deviation index
Korea	23.9%	12.2%
China	21.8%	-10.3%
Taiwan	15.8%	0.5%
India	8.2%	-5.0%
Brazil	7.7%	2.7%
South Africa	5.0%	1.5%
Thailand	4.0%	1.9%
Mexico	3.2%	0.6%
Hungary	2.8%	2.6%
Indonesia	2.6%	0.7%
Greece	1.3%	0.9%
United Arab Emirates (U.A.E.)	1.3%	0.0%
Other	2.5%	-8.0%

Currency allocation

The fund currently has no forward currency contracts.

Currency allocation		Deviation index
Korean Won	24.1%	12.4%
Taiwan Dollar	15.6%	0.3%
Hong Kong Dollar	14.5%	-10.7%
Indian Rupee	8.2%	-5.0%
Brasilian Real	7.6%	2.6%
Chinese Renminbi (Yuan)	6.5%	0.9%
South African Rand	5.0%	1.5%
Thailand Baht	3.9%	1.8%
Mexico New Peso	3.2%	0.6%
Hungarian Forint	2.8%	2.6%
Indonesian Rupiah	2.6%	0.7%
UAE Dirham	1.3%	0.0%
Other	4.8%	-7.5%

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 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 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 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.

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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Morningstar

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