

Robeco Emerging Markets Equities D USD

Robeco Emerging Markets Equities invests in companies located in emerging economies throughout the world. In general, these economies are growing faster than developed countries and have stronger balance sheets for governments, companies and households. Common risks in emerging economies are political and governance risks. The fund selects investments based on top-down country analysis and bottom-up stock ideas. The focus is on companies with a sound business model, solid growth prospects and reasonable valuation.



Wim-Hein Pals
Fund manager since 01-04-2000

Performance

| | Fund | Index |
|--|---------|---------|
| 1 m | -2.64% | -3.73% |
| 3 m | 8.92% | 9.60% |
| Ytd | 1.02% | 2.32% |
| 1 Year | -18.86% | -17.63% |
| 2 Years | -8.45% | -9.25% |
| 3 Years | -5.04% | -4.95% |
| 5 Years | -5.61% | -4.83% |
| Since 10-2006 | 1.56% | 2.47% |
| <small>Annualized (for periods longer than one year)</small> | | |

Rolling 12 month returns

| | Fund |
|---|---------|
| 06-2015 - 05-2016 | -18.86% |
| 06-2014 - 05-2015 | 3.30% |
| 06-2013 - 05-2014 | 2.18% |
| 06-2012 - 05-2013 | 13.10% |
| 06-2011 - 05-2012 | -22.67% |
| <small>Initial charges or eventual custody charges which intermediaries might apply are not included.</small> | |

Fund price

| | | |
|---------------------|-----|--------|
| 31-05-16 | USD | 115.66 |
| High Ytd (14-04-16) | USD | 120.80 |
| Low Ytd (21-01-16) | USD | 100.25 |

Benchmark

MSCI Emerging Markets Index (Net Return) (USD)

General facts

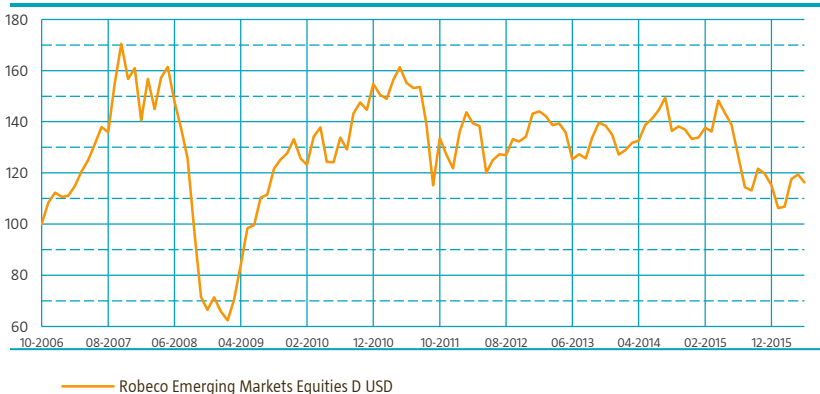
| | |
|------------------------------|------------------------|
| Morningstar | ★★★ |
| Type of fund | Equities |
| Currency | USD |
| Total size of fund | USD 667,935,467 |
| Size of share class | USD 7,969,696 |
| Outstanding shares | 68,990 |
| 1st quotation date | 16-10-2006 |
| Close financial year | 31-12 |
| Ongoing charges | 1.70% |
| Daily tradable | Yes |
| Dividend paid | No |
| Ex-ante tracking error limit | 6.00% |
| Management company | Robeco Luxembourg S.A. |

Fees

| | |
|-----------------|-------|
| Management fee | 1.50% |
| Performance fee | None |
| Service fee | 0.12% |

Performance

Indexed value (until 31-05-2016) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -2.64%.

Based on net asset value, the fund's return was -0.17%, outperforming the benchmark in May. The outperformance in May was driven by strong country allocation. The country allocation was positive with overweight positions in Chinese and Indian equities, and underweights in Brazil, South Africa and Central Europe contributing positively to performance. The underweights in Malaysia, Mexico, Qatar and the Andean region made positive contributions to performance as well. Stock selection was negative. Selection within Brazil and India detracted from performance, with steel stock Gerdau and oil giant Petrobras having a pullback after a stellar performance earlier in the year. Sun Pharmaceuticals and Rural Electrification disappointed in India. Stock selection in Russia and South Africa contributed positively to relative performance. In Russia, the overweight positions in gas giant Novatek and Sberbank attributed strongly. The overweight in South African internet stock Naspers attributed positively as well.

Market development

In May, emerging equity markets declined by 1% in euro terms, lagging developed markets. Best markets were Greece, Philippines, India and Taiwan, while Turkey, Brazil and Colombia were the worst markets. The Fed minutes were more hawkish, indicating a potential rate hike in June. Greece performed well, as the review by the eurozone and IMF was concluded positively. In India, the Insolvency and Bankruptcy Code was approved, which significantly helps the banks to deal with bad debts. In Brazil, Michel Temer took over as the interim president, and installed a market-friendly cabinet. Yet, the market corrected, following a strong year-to-date performance and still a weak economy. The presidential elections in the Philippines were won by Rodrigo Duterte, an anti-crime hardliner without a clear economic policy. Finally, in Turkey PM Davutoglu was forced to step down, another sign of increased authoritarian behavior by president Erdogan.

Expectation of fund manager

Emerging markets feature a combination of high economic growth and low average equity valuations. On top of that, the corporate and government balance sheets are solid. Earnings growth for this year is likely to be similar to that of the developed world, i.e. the US, Europe and Japan. Particularly after the recent correction in emerging equity markets, the valuation levels look very attractive from a long-term investment point of view.

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

Our top ten positions comprise a combination of IT and financial companies with some exposure to telecom and internet. Samsung Electronics is the well-known global brand from Korea. TSMC is a supplier to IT hardware producers. In financials, the portfolio holds China Construction Bank and China Vanke as the most attractive of the large stocks in China. China Mobile is the dominant Chinese telecom company. Naspers is a South African internet services company with large exposure to Chinese internet as well. China Overseas Land is a large property developer. Axis Bank and ICICI Bank are among the largest private Indian banks. Finally, Alibaba Group is the largest e-commerce company in China.

Legal status

Investment company with variable capital incorporated under Luxembourg law (SICAV)

| | |
|--|----------|
| Issue structure | Open-end |
| UCITS IV | Yes |
| Share class | D USD |
| This fund is a subfund of Robeco Capital Growth Funds, SICAV | |

Registered in

Austria, Belgium, Chile, France, Germany, Hong Kong, Ireland, Luxembourg, Netherlands, Norway, Peru, Singapore, Spain, Switzerland, Taiwan, 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 in the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend. The income earned by the fund is reflected in its share price. The fund's entire result is thus reflected in its share price development.

Fund codes

| | |
|-----------|--------------|
| ISIN | LU0269635834 |
| Bloomberg | REMEUDD LX |
| Sedol | B1H36W2 |
| Valoren | 2723990 |

ESG integration policy

For Robeco Emerging Markets Equities, ESG factors are incorporated in the investment and decision-making process. A proprietary bi-annual corporate governance questionnaire is an integral part of the fundamental framework. The team assesses shareholder, board, management, government, social and environmental factors where appropriate. The team also includes ESG considerations in their country allocation process. ESG-based considerations impact the stock valuation analysis. Relevant ESG issues are discussed with company management on a case by case basis. Input from RobecoSAM Sustainability analysts is used to further enhance ESG integration in the investment process.

Top 10 largest positions

| Holdings | Sector | % |
|--|----------------------------|--------------|
| Taiwan Semiconductor Manufacturing Co Lt | Information Technology | 5.02 |
| Samsung Electronics Co Ltd | Information Technology | 4.05 |
| Naspers Ltd | Consumer Discretionary | 3.30 |
| China Vanke Co Ltd | Financials | 3.11 |
| Alibaba Group Holding Ltd Adr | Information Technology | 2.45 |
| China Construction Bank Corp | Financials | 2.41 |
| China Mobile Ltd | Telecommunication Services | 2.39 |
| China Overseas Land & Investment Ltd | Financials | 1.80 |
| Axis Bank Ltd | Financials | 1.72 |
| Icici Bank Ltd | Financials | 1.63 |
| Total | | 27.88 |

Top 10/20/30 weights

| | |
|--------|--------|
| Top 10 | 27.49% |
| Top 20 | 41.43% |
| Top 30 | 53.03% |

Statistics

| | 3 Years | 5 Years |
|----------------------------|---------|---------|
| Tracking error ex-post (%) | 2.98 | 2.54 |
| Information ratio | 0.47 | 0.28 |
| Sharpe ratio | -0.22 | -0.23 |
| Alpha (%) | 1.67 | 0.89 |
| Beta | 1.02 | 1.02 |
| Standard deviation | 17.37 | 19.20 |
| Max. monthly gain (%) | 12.39 | 12.71 |
| Max. monthly loss (%) | -9.44 | -14.87 |

Above mentioned ratios are based on gross of fees returns.

Hit ratio

| | 3 Years | 5 Years |
|----------------------------|---------|---------|
| Months outperformance | 21 | 35 |
| Hit ratio (%) | 58.3 | 58.3 |
| Months Bull market | 17 | 27 |
| Months outperformance Bull | 11 | 17 |
| Hit ratio Bull (%) | 64.7 | 63.0 |
| Months Bear market | 19 | 33 |
| Months Outperformance Bear | 10 | 18 |
| Hit ratio Bear (%) | 52.6 | 54.5 |

Above mentioned ratios are based on gross of fees returns.

Changes

The performance was achieved under circumstances that no longer apply. Up to 31 December 2007, the benchmark was the IFC Composite-Index (USD).

Asset Allocation

| Asset allocation | | |
|------------------|--|--------|
| Equity | | 103.9% |
| Cash | | -3.9% |

Sector allocation

The sectors that are most overweight are consumer discretionary, financials and information technology. Together with valuations that are still attractive, we expect positive earnings growth for these sectors. Conversely, consumer staples, industrials, materials and utilities are the largest underweight positions compared to the benchmark.

| Sector allocation | | Deviation benchmark | |
|----------------------------|-------|---------------------|-------|
| Financials | 28.9% | | 1.8% |
| Information Technology | 22.5% | | 1.4% |
| Consumer Discretionary | 16.5% | | 6.7% |
| Energy | 7.3% | | -0.5% |
| Telecommunication Services | 5.9% | | -0.9% |
| Industrials | 5.5% | | -1.0% |
| Materials | 5.1% | | -1.3% |
| Consumer Staples | 4.1% | | -4.5% |
| Health Care | 2.8% | | 0.1% |
| Utilities | 1.3% | | -1.9% |
| Other | 0.1% | | 0.1% |

Country allocation

Emerging markets in Asia in general, and China, India and Korea in particular, are still favored over those in Latin America and emerging Europe, Middle East and Africa (EMEA). We are underweight in some smaller Asian markets, such as Malaysia, the Philippines and Thailand, and prefer domestic exposure in countries like China and India over export sectors. In Latin America, we are underweight in all countries, except Peru. Among the EMEA countries, the fund holds a neutral position in Russia and an overweight position in Turkey. It has no positions in the Czech Republic, Hungary, and an underweight position in Poland and South Africa.

| Country allocation | | Deviation benchmark | |
|--------------------|-------|---------------------|-------|
| China | 26.8% | | 2.4% |
| Korea | 20.3% | | 5.0% |
| India | 13.8% | | 5.2% |
| Taiwan | 12.9% | | 0.5% |
| South Africa | 4.4% | | -2.8% |
| Russia | 4.3% | | 0.4% |
| Brazil | 3.7% | | -2.8% |
| Indonesia | 3.6% | | 1.0% |
| Mexico | 2.4% | | -1.9% |
| Turkey | 1.5% | | 0.1% |
| Thailand | 1.5% | | -0.8% |
| Hong Kong | 1.1% | | 1.1% |
| Other | 3.7% | | -7.4% |

Currency allocation

Currency exposure is in line with country exposure. At the end of March, there were no currency hedges, so the fund is fully open to emerging currencies.

| Currency allocation | | Deviation benchmark | |
|-----------------------|-------|---------------------|-------|
| Korean Won | 17.8% | | 2.5% |
| Hong Kong Dollar | 15.6% | | -6.0% |
| Indian Rupee | 14.4% | | 5.8% |
| Chinese Yuan Renminbi | 14.2% | | 11.5% |
| New Taiwan Dollar | 13.6% | | 1.2% |
| South African Rand | 4.6% | | -2.6% |
| Brazil Real | 3.9% | | -2.6% |
| Indonesian Rupiah | 3.7% | | 1.1% |
| Mexican Peso | 2.5% | | -1.8% |
| Russian Ruble | 2.0% | | -1.9% |
| US Dollar | 1.6% | | 1.0% |
| New Turkish Lira | 1.6% | | 0.2% |
| Other | 4.5% | | -8.4% |

Investment policy

Robeco Emerging Markets Equities invests globally in emerging economies. The focus is on companies which combine a sound business model and solid growth prospects with a reasonable valuation. The first step in portfolio composition is the top-down country selection, as research shows that country specific factors drive stock returns in emerging markets. The second step is in-depth fundamental analysis of companies and serves to identify stocks with the ability to outperform in the long run. Key items of our fundamental analysis are: growth prospects of sector, position of company within sector, competitive strength, financial health and strategy, corporate governance and management quality. We screen stocks with our proprietary quantitative model for attractive characteristics. Key items of our fundamental analysis are: growth prospects of sector, position of company within sector, competitive strength, financial health and strategy, corporate governance and management quality. We screen stocks with our proprietary quantitative model for attractive characteristics. 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. Pals, Executive Vice President, is Head of Emerging Markets Equities with Robeco. He also is the Fund Manager for the Robeco CGF Emerging Markets Equities. From 1998 to 2001 Wim-Hein was Senior Portfolio Manager in emerging European and African equities. Prior to this assignment, he was a Senior Portfolio Manager in emerging Asian equities. Wim-Hein Pals has been working as a Fund Manager since 1992. He holds a master of Science in Industrial Engineering and Management Sciences from the Eindhoven University of Technology as well as a master's degree in Business Economics from Tilburg University. Wim-Hein is registered with the Dutch Securities Institute.

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.

MSCI disclaimer

Source MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Morningstar

Copyright © Morningstar Benelux. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more information on Morningstar, please refer to www.morningstar.com

Disclaimer

This document has been issued by Robeco Institutional Asset Management B.V. (Robeco). The information contained in this publication is based upon sources of information believed to be reliable. Robeco is not answerable for the accuracy or completeness of the facts, opinions, expectations and results referred to therein. Whilst every care has been taken in the preparation of this publication, we do not accept any responsibility for damage of any kind resulting from incorrect or incomplete information. This publication is subject to change without notice. Important information Risk factors you should consider before investing: Markets: The value of investments and the income from them can go down as well as up and you may get back less than the amount invested. Exchange Rates: Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment. Country : Less developed countries may face more political, economic or structural challenges than developed countries. This may mean your money is at greater risk. The risks outlined might be particularly relevant to this fund and should always be read in conjunction with all warnings and comments given in the prospectus and KIID for the fund. Other important information: The fund constitutes a recognised scheme under section 264 of the Financial Services and Markets Act. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. You should seek professional advice before making any investment decisions. This is not an invitation to subscribe for shares in the Fund and is by way of information only. Subscriptions will only be received and shares issued on the basis of the current Prospectus, relevant Key Investor Information Document (KIID) and other supplementary information for the Fund. These can be obtained free of charge from The Royal Bank of Canada, Europe Ltd, Riverbank House, 2 Swan Lane, London EC4R 3BF or from our website www.robeco.com. The ongoing charges mentioned in this publication express the operational costs including management fee, service fee, taxe d'abonnement, depositary fee and bank charges and is the one stated in the fund's latest annual report at closing date. Robeco Institutional Asset Management B.V., Rotterdam (Trade Register no. 24123167) is registered with the Netherlands Authority for the Financial Markets in Amsterdam and subject to limited regulation in the UK by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. The prices used for the performance figures of the Luxembourg-based funds are the end-of-month transaction prices net of fees up to 4 August 2010. From 4 August 2010, the transaction prices net of fees will be those of the first business day of the month.