

Robeco European Conservative Equities D EUR

Robeco European Conservative Equities invests in low-volatile stocks in European economies. The fund's long-term aim is to achieve returns comparable to those on European market 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, valuation and sentiment.



Arlette van Ditshuizen, Jan Sytze Mosselaar, Maarten Polfliet, Pim van Vliet
Fund manager since 25-01-2008

Performance

	Fund	Index
1 Year	13.42%	13.48%
2 Years	17.89%	18.02%
3 Years	16.62%	17.36%
5 Years	12.58%	11.58%
Since 01-2008	7.11%	4.81%

Annualized (for periods longer than one year)

Calendar year performance

	Fund	Index
2014	12.07%	6.84%
2013	18.61%	19.82%
2012	14.22%	15.59%
2011	-2.78%	-9.28%
2010	8.99%	6.41%
2012-2014	14.93%	13.95%
2010-2014	9.98%	7.39%

Annualized (years)

Fund price

30-06-15	EUR	169.20
High Ytd (14-04-15)	EUR	178.78
Low Ytd (07-01-15)	EUR	147.66

Benchmark

MSCI Europe Index (Net Return) (EUR)

General facts

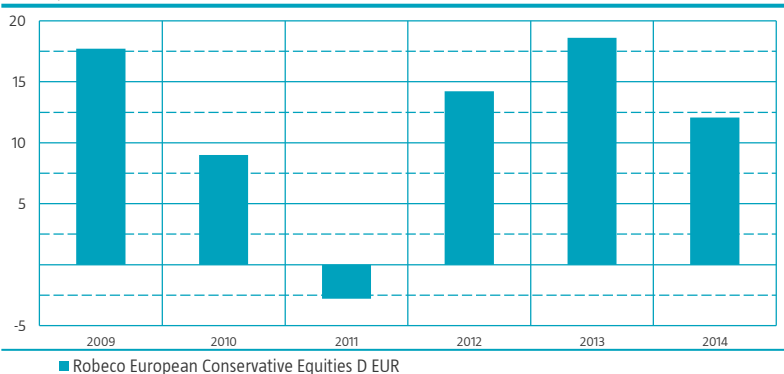
Morningstar	★★★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 1,258,939,062
Size of share class	EUR 115,266,327
Outstanding shares	691,460
1st quotation date	25-01-2008
Close financial year	31-12
Ongoing charges	1.18%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Luxembourg S.A.

Fees

Management fee	1.00%
Service fee	0.12%

Performance

Calendar years



Performance

Based on transaction prices, the fund's return was -4.22%.

The low-risk factors (volatility, beta and distress) made a neutral contribution to performance. Valuation contributed as well neutral to performance, as did the momentum factor. 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 allocation effects. Negative contributions mainly came from not holding largecap banks like UBS, Lloyds and ING, which performed strongly last month. Also holding telecom stocks like Belgacom contributed negatively. Positive contributions primarily came from holding consumer stocks like Delhaize (Belgium), Bakkafrøst (Norway) and Ahold (Netherlands).

Market development

Equity markets in Europe decreased by about 4% in June. The market was largely dominated by the risk of a potential Grexit and its contagion effects. The economic situation of the Eurozone nevertheless showed further improvement. Euro-area economic growth hit a four-year high, according to the latest PMI (Purchasing Managers Index) survey for manufacturing and services activity. The flash Eurozone PMI rose from 53.6 in May to 54.1 in June, the highest reading since May 2011. The survey also indicated that employment and new orders had risen at the strongest rates for four years over the second quarter as a whole.

Expectation of fund manager

The European Conservative Equity 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 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 a good absolute return. In the long term, we expect European equity-like returns, but with considerably lower downside risk.

	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"/>

Legal status

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

Registered in

Austria, Belgium, Chile, Finland, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Spain, Switzerland, United Kingdom

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	LU0339661307
Bloomberg	ROECDEU LX
Sedol	B8H2X83
WKN	A0NC7K
Valoren	3676721

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. 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 10/20/30 weights

Top 10	16.43%
Top 20	28.78%
Top 30	39.81%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	3.78	5.05
Information ratio	0.17	0.47
Sharpe ratio	2.12	1.50
Alpha (%)	3.32	5.40
Beta	0.83	0.69
Standard deviation	8.48	9.02
Max. monthly gain (%)	8.09	8.09
Max. monthly loss (%)	-4.12	-6.37

Above mentioned ratios are based on gross of fees returns.

Hit ratio

	3 Years	5 Years
Months outperformance	20	33
Hit ratio (%)	55.6	55.0
Months Bull market	27	39
Months outperformance Bull	12	13
Hit ratio Bull (%)	44.4	33.3
Months Bear market	9	21
Months Outperformance Bear	8	20
Hit ratio Bear (%)	88.9	95.2

Above mentioned ratios are based on gross of fees returns.

Changes



























Before July 2012 the portfolio was hedged into EUR, since July 2012 currency exposures are no longer hedged

Asset Allocation

Asset allocation		
Equity		98.6%
Cash		1.4%

Country allocation

The European Conservative Equities fund is not benchmark driven. It uses a quantitative stock-selection model for bottom-up selection of stocks with low absolute expected risk and high expected return characteristics. The current weights in the Scandinavian countries are high compared to regular 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 benchmark	
United Kingdom		23.2%		-8.1%
Switzerland		13.2%		-1.0%
France		13.0%		-1.9%
Sweden		12.2%		7.7%
Germany		10.8%		-2.9%
Spain		4.4%		-1.0%
Norway		4.1%		3.1%
Italy		4.0%		0.3%
Netherlands		3.6%		-0.7%
Belgium		3.4%		1.4%
Finland		3.2%		1.9%
Denmark		1.8%		-0.8%
Other		3.1%		2.0%

Investment policy

The Robeco European 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-risk stocks with low valuation and positive market sentiment.

Fund manager's CV

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. 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.

Mr. Polfliet is a Senior Portfolio Manager within the Quantitative Equities team of Robeco. His primary responsibility is Robeco's Value strategy. Previously, he was Client Portfolio Manager within the Quantitative Equities team. Before he joined Robeco in 2005, he was portfolio manager of the Insinger de Beaufort Dutch Equity Fund at Bank Insinger de Beaufort. Before that he worked as portfolio manager private and institutional clients at SNS Bank Nederland since 1999. Mr. Polfliet holds a Master's degree in Financial Economics from Tilburg University and a Post graduate Master's degree in Financial Analysis from 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.

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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Morningstar

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