ROBECO

Factsheet | Figures as of 29-02-2024

RobecoSAM Circular Economy Equities F EUR

RobecoSAM Circular Economy Equities is an actively managed fund that invests globally in companies aligned with circular economy principles. The selection of these stocks is based on fundamental analysis. The fund has sustainable investment as its objective, within the meaning of Article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on Sustainability-related disclosures in the financial sector to finance solutions supporting the paradigm shift to a circular economy. The strategy integrates sustainability criteria as part of the stock selection process and through a theme-specific sustainability assessment. The portfolio is built on the basis of an eligible investment universe that includes companies whose business models contribute to the thematic investment objectives and relevant SDGs using an internally developed framework, more information on which can be obtained at www.robeco.com/si. The fund also has the aim to achieve a better return than the index.



Natalie Falkman
Fund manager since 01-04-2022

Performance

	Fund	Index
1 m	5.32%	4.63%
3 m	13.13%	11.58%
Ytd	6.23%	7.68%
1 Year	16.13%	22.46%
2 Years	6.62%	9.63%
3 Years	7.43%	12.88%
Since 01-2020	10.40%	10.54%

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
2023	16.94%	19.60%
2022	-19.42%	-12.78%
2021	28.92%	31.07%
2021-2023	6.70%	10.99%

Annualized (years)

Index

MSCI World Index TRN

General facts

Morningstar	★★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 237,849,187
Size of share class	EUR 44,952,025
Outstanding shares	299,449
1st quotation date	23-01-2020
Close financial year	31-12
Ongoing charges	0.96%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	-
Management company	Robeco Institutional Asset Management B.V.

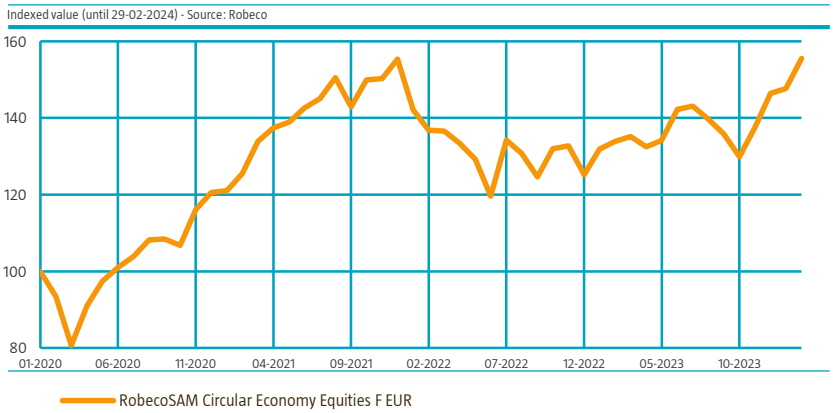
Sustainability profile

- Exclusions+
- ESG Integration
- Voting
- Target Universe

For more information on exclusions see https://www.robeco.com/exclusions/
For more information on target universe methodology see https://www.robeco.com/si

Performance

Indexed value (until 29-02-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 5.32%.
In February, the fund outperformed the broad MSCI World Index. The main sector contribution came from industrials. Three out of the five main individual performance contributors were industrial companies – Xylem, Tetra Tech and nVent. However, the top individual contributor to the outperformance relative to the index was a consumer staples name – Sprouts Farmers Market. The company was added to the fund in the beginning of the year, as it has an attractive exposure to the growing demand for cleaner and healthier food for US consumers. The two sectors that were the main relative performance detractors in February were financials and consumer discretionary. Financials' performance was strong last month. However, the fund does not hold any financial companies. Consumer discretionary' performance in February was strongly supported by a stock price rise of Amazon, which the fund does not own. The top three individual contributors to the fund's performance relative to the internal thematic benchmark were NVIDIA, Sprouts Farmers Market and Cavco.

Market development

The Q4 earnings season added further evidence of economic resilience and abating headwinds of destocking, component shortages and aggressive cost inflation. Some challenges remain, for example the sticky wage inflation and the still elevated inventory levels in some areas, but overall, as the year progresses, companies expect to view most of those challenges from the past 12 to 18 months in the rear-view mirror. In February, as the S&P 500 and Nasdaq were closing out four straight months of gains, an often-heard criticism from the bear camp was that the new market highs are driven by too few stocks. However, as the month progressed, it was notable to see the broadening out that many investors believe is required for a sustainable upside momentum to remain. February's most anticipated report was, without competition, from AI locomotive NVIDIA. Despite an already elevated bar, NVIDIA did not disappoint and posted standout numbers of 265% year-on-year sales growth in its latest reported quarter. Moreover, NVIDIA's management noted that accelerated computing and generative AI have hit a "tipping point" and that demand is surging worldwide across companies, industries and nations.

Expectation of fund manager

February data points continued to paint a picture of economic resilience. The latest number of the US PMI came in higher than in the previous month and also higher than expected (it continues to be above 50), while initial jobless claims came in lower. The Fed has clearly signaled that it will pause interest rate decreases until more consistent evidence of the slowing inflation arises. In the coming months, the upcoming US elections could elicit more attention from investors. As there are likely to be policy differences between a Democratic and a Republican president, there could be sentiment swings for different parts of the global economy. Q4 results revealed that many companies expect 2024 to be backend loaded, meaning that growth is expected to accelerate in H2. This is partly due to an easier base effect and partly to the inventory correction projected to end by mid-year in most sectors. An impressive point from Q4 was how well most companies managed their margins despite facing tough volume trends and much lower support from price expansion. If 2024 was to improve toward the second half, companies' margins and earnings should then see good support in most cases.

Top 10 largest positions

The fund has a relatively even positioning structure among high-conviction holdings. This allows for exposure to attractive areas through a number of companies rather than through a few large positions, which in turn reduces stock-specific risks. This portfolio structure means the top ten holdings fluctuate from month to month. In February, Broadcom, Tetra Tech and nVent entered the top ten list, while Republic Services, AECOM and Silgan exited. This was purely due to the effect of market price movements and not due to active trading in those names. However, the fund did exit some holdings and added some new ones in February. The fund exited Thule and Adobe. Both companies have good business models, but high valuations made their stocks relatively less attractive. Among others, the fund added Coloplast to its holdings, as we believe that the Danish company is about to see acceleration in its top line thanks to new innovative product launches. The company wisely used the past few years to improve internal efficiencies and margins.

Fund price

29-02-24	EUR	150.12
High Ytd (23-02-24)	EUR	150.82
Low Ytd (05-01-24)	EUR	137.39

Fees

Management fee	0.75%
Performance fee	None
Service fee	0.16%

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

Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Singapore, Spain, Sweden, 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 dividend; any income earned is retained, and so the fund's entire performance is reflected in its share price.

Fund codes

ISIN	LU2092758999
Bloomberg	ROCEEFE LX
WKN	A2P0DQ
Valoren	52333289

Top 10 largest positions

Holdings	Sector	%
NVIDIA Corp	Semiconductors & Semiconductor Equipment	4.32
Xylem Inc/NY	Machinery	3.12
EssilorLuxottica SA	Health Care Equipment & Supplies	3.09
Compass Group PLC	Hotels, Restaurants & Leisure	3.00
RELX PLC	Professional Services	2.98
Cavco Industries Inc	Household Durables	2.71
Cie de Saint-Gobain SA	Building Products	2.71
Tetra Tech Inc	Commercial Services & Supplies	2.65
Broadcom Inc	Semiconductors & Semiconductor Equipment	2.63
nVent Electric PLC	Electrical Equipment	2.61
Total		**29.82**

Top 10/20/30 weights

TOP 10	29.82%
TOP 20	53.90%
TOP 30	73.20%

Statistics

	3 Years
Tracking error ex-post (%)	5.82
Information ratio	-0.76
Sharpe ratio	0.46
Alpha (%)	-4.11
Beta	1.03
Standard deviation	15.91
Max. monthly gain (%)	12.29
Max. monthly loss (%)	-8.47

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years
Months outperformance	17
Hit ratio (%)	47.2
Months Bull market	22
Months outperformance Bull	11
Hit ratio Bull (%)	50.0
Months Bear market	14
Months Outperformance Bear	6
Hit ratio Bear (%)	42.9

Above mentioned ratios are based on gross of fees returns.

Asset Allocation

Asset allocation	
Equity	96.0%
Cash	4.0%

Sector allocation

The fund invests in four distinct investment clusters, with the following exposure per end of February. 'Redesign Inputs': 33%; 'Enabling Technologies': 19%; 'Circular Use': 30%; and 'Loop Resources': 18%. As a result, the portfolio is invested mostly in the industrials, information technology, materials, consumer discretionary, consumer staples and healthcare sectors.

Sector allocation		Deviation index
Semiconductors & Semiconductor Equipment	11.6%	3.7%
Commercial Services & Supplies	9.7%	9.1%
Machinery	7.7%	5.6%
Electrical Equipment	6.2%	5.2%
Trading Companies & Distributors	6.0%	5.2%
Professional Services	5.2%	4.2%
Software	5.0%	-3.5%
Building Products	4.4%	3.7%
Construction & Engineering	4.1%	3.8%
Household Durables	4.1%	3.6%
Health Care Equipment & Supplies	3.9%	1.6%
IT Services	3.7%	2.2%
Other	28.3%	-44.4%

Regional allocation

The country allocation of the fund is purely the result of the bottom-up stock selection process of companies exposed to the shift to a circular economy. Consequently, the fund is currently overweight in Western Europe and underweight in North America compared to the MSCI World.

Regional allocation		Deviation index
America	61.9%	-12.0%
Europe	34.1%	17.2%
Asia	4.0%	-5.0%
Middle East	0.0%	-0.2%

Currency allocation

The fund has no currency hedges in place. The currency allocation of the fund is purely a result of the bottom-up stock selection process. Internal investment guidelines limit currency deviations versus the investable universe to a maximum of 10%.

Currency allocation		Deviation index
U.S. Dollar	57.4%	-13.6%
Euro	21.5%	12.7%
Pound Sterling	7.2%	3.5%
Swedish Kroner	5.5%	4.7%
Japanese Yen	3.8%	-2.4%
Danish Kroner	2.5%	1.6%
Mexico New Peso	2.0%	2.0%
Swiss Franc	0.0%	-2.5%
Australian Dollar	0.0%	-1.9%
New Zealand Dollar	0.0%	-0.1%
Canadian Dollar	0.0%	-3.0%
Hong Kong Dollar	0.0%	-0.5%
Other	0.0%	-0.6%

ESG Important information

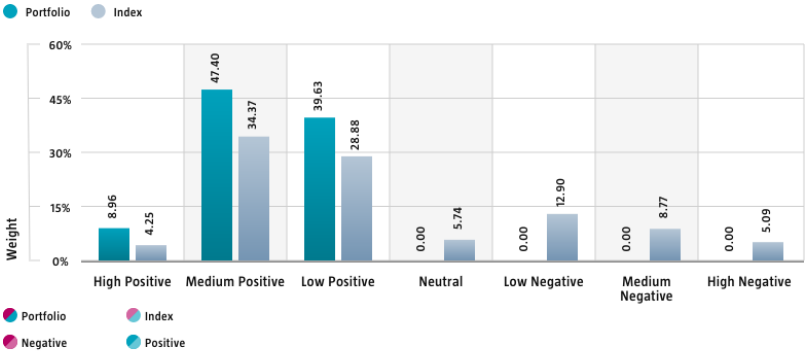
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to invest should take into account all characteristics or objectives of the fund as described in the prospectus. The prospectus is available on request and free of charge on the Robeco website.

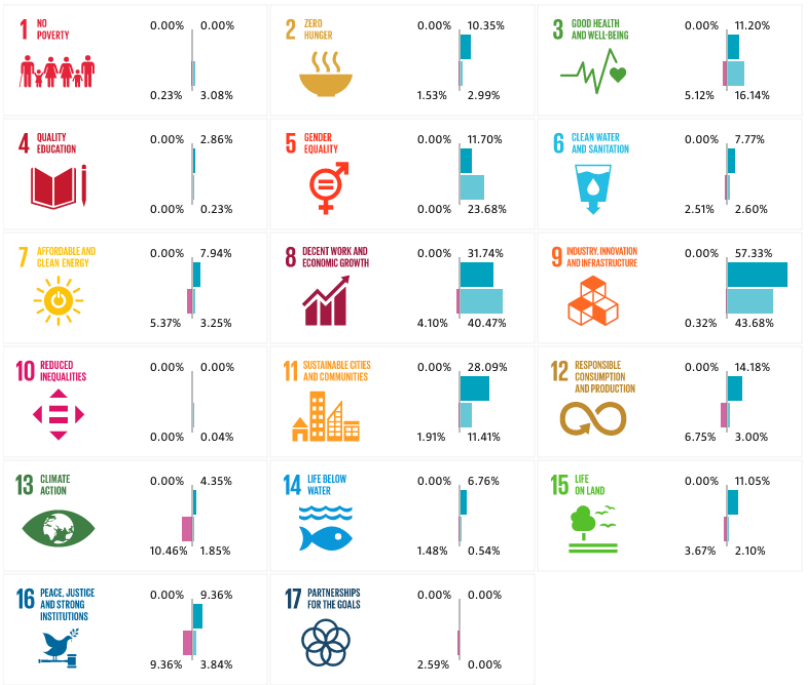
Sustainability

The fund's sustainable investment objective is to finance solutions that support the transition from traditional production and consumption patterns toward a circular economy. Circular economy and sustainability considerations are incorporated in the investment process by the means of a target universe definition, exclusions, ESG integration, and voting. The fund only invests in companies that have a significant thematic fit as per Robeco's thematic universe methodology. Through screening on both Robeco's internally developed SDG Framework and Robeco's exclusion policy, the fund does not invest in issuers that have a negative impact on the SDGs, are in breach of international norms or where products have been deemed controversial. Financially material ESG factors are integrated in the bottom-up fundamental investment analysis to assess existing and potential ESG risks and opportunities. In addition, where a stock issuer is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to exclusion. Lastly, the fund makes use of shareholder rights and applies proxy voting in accordance with Robeco's proxy voting policy.
The following sections display the ESG-metrics for this fund along with short descriptions. For more information please visit the sustainability-related disclosures.
The index used for all sustainability visuals is based on MSCI World Index TRN.

SDG Impact Alignment

This distribution across SDG scores shows the portfolio weight allocated to companies with a positive, negative and neutral impact alignment with the Sustainable Development Goals (SDG) based on Robeco's SDG Framework. The framework utilizes a three-step approach to assess a company's impact alignment with the relevant SDGs and assign a total SDG score. The score ranges from positive to negative impact alignment with levels from high, medium or low impact alignment. This results in a 7-step scale from -3 to +3. For comparison, index figures are provided alongside that of the portfolio. Only holdings mapped as corporates are included in the figures.
Use of the United Nations Sustainable Development Goals (SDG) logos, including the colour wheel, and icons shall only serve explanatory and illustrative purposes and may not be interpreted as an endorsement by the United Nations of this entity, or the product(s) or service(s) mentioned in this document. The opinions or interpretations shown in this document hence do not reflect the opinion or interpretations of the United Nations.

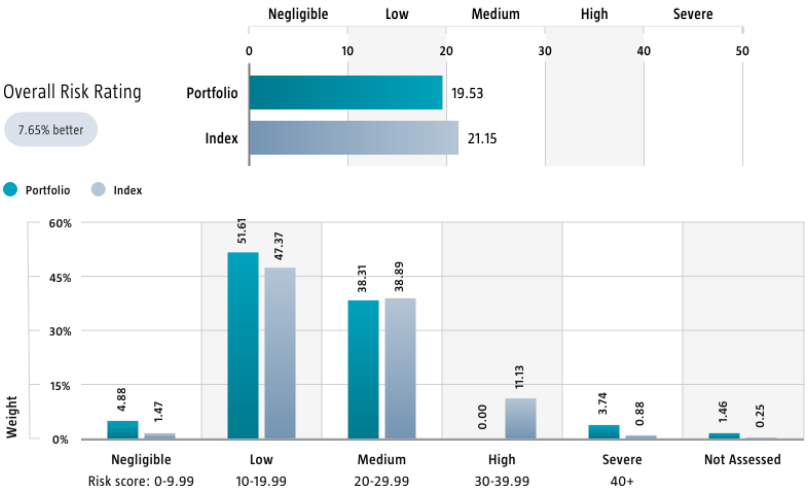




Source: Robeco. Data derived from internal processes.

Sustainalytics ESG Risk Rating

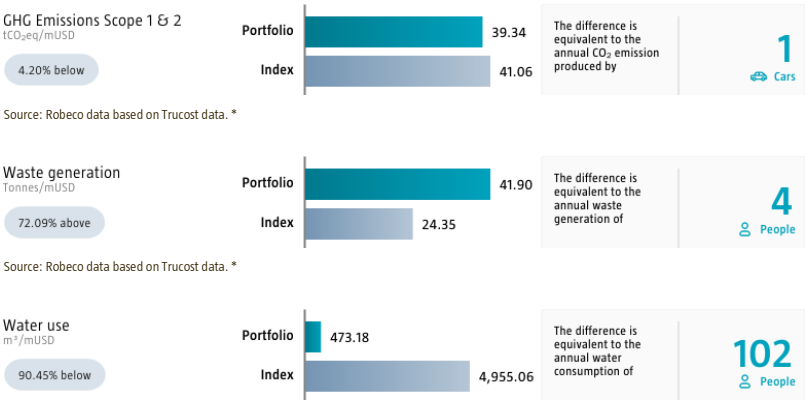
The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio allocations broken into Sustainalytics' five ESG risk levels: negligible (0-10), low (10-20), medium (20-30), high (30-40) and severe (40+), providing an overview of portfolio exposure to the different ESG risk levels. Index scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.
Only holdings mapped as corporates are included in the figures.



Source: Copyright ©2024 Sustainalytics. All rights reserved.

Environmental Footprint

Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted average, multiplying each assessed portfolio constituent's footprint by its respective position weight. For comparison, index footprints are shown besides that of the portfolio. The equivalent factors that are used for comparison between the portfolio and index represent European averages and are based on third-party sources combined with own estimates. As such, the figures presented are intended for illustrative purposes and are purely an indication. Only holdings mapped as corporates are included in the figures.



Source: Robeco data based on Trucost data. *

Source: Robeco data based on Trucost data. *

Source: Robeco data based on Trucost data. *

* Source: S&P Trucost Limited © Trucost 2024. All rights in the Trucost data and reports vest in Trucost and/or its licensors. Neither Trucost, not its affliates, nor its licensors accept any liability for any errors, omissions, or interruptions in the Trucost data and/or reports. No further distribution of the Data and/or Reports is permitted without Trucost's express written consent.

Engagement

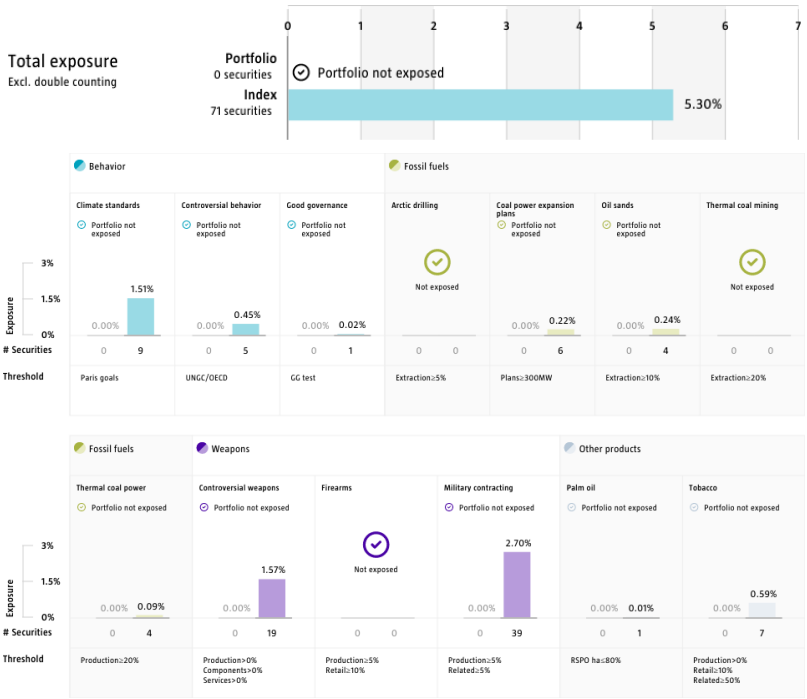
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching internationals standards. The report is based on all companies in the portfolio for which engagement activities have taken place during the past 12 months. Note that companies may be under engagement in multiple categories simultaneously. While the total portfolio exposure excludes double counting, it may not equal the sum of individual category exposures.

	Portfolio exposure	# companies engaged with	# activities with companies engaged with
Total (* excluding double counting)	13.69%	7	14
Environmental	0.00%	0	0
Social	0.68%	1	5
Governance	2.16%	1	2
Sustainable Development Goals	8.25%	4	6
Voting Related	2.60%	1	1
Enhanced	0.00%	0	0

Source: Robeco. Data derived from internal processes.

Exclusions

The Exclusions charts display the degree of adherence to exclusion applied by Robeco. For reference, index exposures are shown beside that of the portfolio. Thresholds are based on revenues unless otherwise indicated. For more information about the exclusion policy and which level applies, please refer to the Exclusion Policy and Exclusion List available on Robeco.com.



Source: We use several data sources such as Sustainalytics, RSPO (Roundtable on Sustainable Palm Oil), World Bank, Freedom House, Fund for Peace and International Sanctions; further policy document available Exclusion Policy

Investment policy

RobecoSAM Circular Economy Equities is an actively managed fund that invests globally in companies aligned with circular economy principles. The selection of these stocks is based on fundamental analysis. The fund has sustainable investment as its objective, within the meaning of Article 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on Sustainability-related disclosures in the financial sector to finance solutions supporting the paradigm shift to a circular economy. The strategy integrates sustainability criteria as part of the stock selection process and through a theme-specific sustainability assessment. The portfolio is built on the basis of an eligible investment universe that includes companies whose business models contribute to the thematic investment objectives and relevant SDGs using an internally developed framework, more information on which can be obtained at www.robeco.com/si. The fund also has the aim to achieve a better return than the index.
The fund has sustainable investment as its objective within the meaning of Article 9 of the European Sustainable Finance Disclosure Regulation. The fund fosters resource-efficient business models for production and consumption of consumer goods, aligned with Circular Economy principles, by investing in companies that advance the following UN Sustainable Development Goals (UN SDGs): Zero Hunger, Good health and well-being, Decent work and economic growth, Industry, innovation and infrastructure, Sustainable cities and communities and Responsible consumption and production. The fund applies sustainability indicators, including but not limited to, integrates E&S (i.e. Environmental and Social) in the investment process, applies normative, activity-based and region-based exclusions, and applies proxy voting.
The majority of stocks selected will be components of the Benchmark, but stocks outside the Benchmark may be selected too. The investment policy is not constrained by a benchmark but the fund may use a benchmark for comparison purposes. The fund can deviate substantially from the issuer, country and sector weightings of the Benchmark. There are no restrictions on the deviation from the Benchmark. The Benchmark is a broad market weighted index that is not consistent with the sustainable objective of the fund.

Fund manager's CV

Natalie Falkman is Portfolio Manager of the RobecoSAM Circular Economy Equities strategy and member of the Thematic Investing team. Before joining Robeco in 2022, she was a portfolio manager for Kapitalinvest, a global equity, 5-star rated by Morningstar and AAA-rated by Citywire (Global blend-category) fund at Swedbank Robur in Stockholm. Prior to that, she worked at Carnegie (largest independent investment bank in the Nordics), first as the Head of Emerging Markets Research and thereafter with Nordic Capital Goods Equity Research. She started her career in 2002 as an equity research analyst at Deutsche Bank in Moscow covering utility and shipping sectors. Natalie holds a Master in Finance from Stockholm School of Economics.

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.

Sustainability images

The figures shown in the sustainability visuals are calculated on subfund level.

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

Febelfin disclaimer

The fact that the sub-fund has obtained this label does not mean that it meets your personal sustainability goals or that the label is in line with requirements arising from any future national or European rules. The label obtained is valid for one year and subject to annual reappraisal. For further information on this label, please visit www.towardssustainability.be.

Disclaimer

This document has been carefully prepared 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 document, we do not accept any responsibility for damage of any kind resulting from incorrect or incomplete information. This document is subject to change without notice. The value of the investments may fluctuate. Past performance is no guarantee of future results. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. Unless otherwise stated, performances are i) net of fees based on transaction prices and ii) with dividends reinvested. Please refer to the prospectus and the Key Information Document of the funds for further details. These are available at the Robeco offices or via the www.robeco.com website. 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. The information contained in this document is solely intended for professional investors under the Dutch Act on the Financial Supervision (Wet financieel toezicht) or persons who are authorized to receive such information under any other applicable laws. Robeco Institutional Asset Management B.V. has a license as manager of UCITS and AIFs from the Netherlands Authority for the Financial Markets in Amsterdam.