

Robeco Next Digital Billion D EUR

Robeco Next Digital Billion is an actively managed fund that invests in companies in emerging markets. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than that of the index. The fund selects companies with high growth potential that aim to cater to the previous and next billion internet users. Many of the targeted emerging countries now have a critical mass in internet penetration and coupled with the absence of traditional economic infrastructure, this can lead to the emergence of the next wave of technology companies and value creation.



Michiel van Voorst CFA
Fund manager since 14-09-2021

Performance

| | Fund | Index |
|---------------|---------|--------|
| 1 m | 2.13% | 2.68% |
| 3 m | 2.11% | 4.70% |
| Ytd | 2.11% | 4.70% |
| 1 Year | 4.40% | 8.80% |
| 2 Years | -5.20% | -0.25% |
| Since 09-2021 | -21.99% | -2.40% |

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 | 4.88% | 6.11% |
| 2022 | -40.11% | -14.85% |

Annualized (years)

Index

MSCI Emerging Markets Index (Net Return, EUR)

General facts

| | |
|------------------------------|--|
| Type of fund | Equities |
| Currency | EUR |
| Total size of fund | EUR 8,058,812 |
| Size of share class | EUR 431,562 |
| Outstanding shares | 8,107 |
| 1st quotation date | 14-09-2021 |
| Close financial year | 31-12 |
| Ongoing charges | 1.85% |
| 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 31-03-2024) - Source: Robeco



Performance

Based on transaction prices, the fund's return was 2.13%.

In March, our portfolio experienced mixed performance across sectors. Internet platforms, particularly led by Kaspi and Sea Group, contributed positively, while MercadoLibre faced a decline due to economic challenges. Fintech saw a slight negative impact, mainly due to Fawry's decline, offset by Nu Holdings' growth. B2B/enterprise was negatively affected by Globant's downturn but positively influenced by FPT's gains. Mobility/e-logistics witnessed a drag from ESR Group but a boost from Grab's performance. ICT & enablers had Airtel Africa as a top performer but GDS faced challenges due to geopolitical tensions. Online consumer & media thrived, propelled by platforms like ATRenew and Meituan, though educational players such as New Oriental Education and Afya faced setbacks.

Market development

In March, the MSCI Emerging Markets Index rose by 2.7% in EUR, slightly better than the return of the Robeco Next Digital Billion fund. Emerging market equities slightly underperformed in comparison to their developed market peers, as investors remained concerned about China's growth prospects in the absence of any meaningful fiscal stimulus. User-friendly apps have cemented food delivery as a habit, benefiting companies like Zomato and Meituan. Zomato's dominant position in India's market and Meituan's organizational restructuring drove their growth, with Zomato aiming for a 30% GMV CAGR. In China, fiscal policies aim to stimulate demand and stabilize growth outlooks. Positive quarterly results boosted various Chinese companies like Kanzhun and ATRenew. In India, infrastructure spending and pro-industry policies support consumer trends, benefiting platforms like Zomato and Nykaa. Tech-exposed financials like Bajaj Finance and Kotak Bank also performed well. Exposure to Vietnam through TCB fin(tech) and FPT contributed positively amidst expectations of reclassification. PLDT in the Philippines showed strong performance, driven by its fintech arm, Maya.

Expectation of fund manager

Our portfolio outlook remains positive as investors adopt a more rational approach. While various macroeconomic, geopolitical, and policy factors could still impact emerging markets negatively, we see signs of disinflation and completed rate hikes, paving the way for growth-supportive central banks. The Fed's pause, a weakening dollar, and emerging markets' central banks' proactive measures set the tone. However, the smoothness of this transition and global Central Banks' response will be crucial narratives for emerging markets. We maintain our commitment to key trends, emphasizing quality and profitability. With undemanding valuations, our portfolio is poised to navigate potential challenges while seeking underestimated opportunities.

Top 10 largest positions

The largest five positions are Nu Holdings, Prosus, Sea Ltd., Airtel Africa, and Reliance.

Fund price

| | | |
|---------------------|-----|-------|
| 31-03-24 | EUR | 53.13 |
| High Ytd (27-03-24) | EUR | 53.13 |
| Low Ytd (31-01-24) | EUR | 50.45 |

Fees

| | | |
|-----------------|--|-------|
| Management fee | | 1.60% |
| Performance fee | | None |
| Service fee | | 0.20% |

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, Finland, France, Germany, Italy, Luxembourg, Norway, Singapore, Spain, Sweden, Switzerland

Currency policy

The fund can engage in currency hedging transactions. Typically currency hedging is not applied.

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. The fund retains any income that is earned and so its entire performance is reflected in its share price.

Fund codes

| | |
|-----------|--------------|
| ISIN | LU2368226135 |
| Bloomberg | RONDBDA LX |
| WKN | A3C30P |
| Valoren | 113770582 |

Top 10 largest positions

Holdings

| |
|--------------------------------|
| NU Holdings Ltd/Cayman Islands |
| Prosus NV |
| Sea Ltd ADR |
| Airtel Africa PLC |
| Reliance Industries Ltd |
| Baidu Inc |
| Kaspi.KZ JSC ADR |
| Globant SA |
| Grab Holdings Ltd |
| MercadoLibre Inc |
| Total |

| Sector | % |
|------------------------|--------------|
| Financials | 5.10 |
| Consumer Discretionary | 5.08 |
| Communication Services | 4.34 |
| Communication Services | 4.17 |
| Energy | 4.11 |
| Communication Services | 3.94 |
| Financials | 3.93 |
| Information Technology | 3.85 |
| Industrials | 3.63 |
| Consumer Discretionary | 3.49 |
| Total | 41.62 |

Top 10/20/30 weights

| | |
|--------|--------|
| TOP 10 | 41.62% |
| TOP 20 | 69.35% |
| TOP 30 | 86.55% |

Asset Allocation

| Asset allocation | | |
|------------------|--|-------|
| Equity | | 99.6% |
| Cash | | 0.4% |

Sector allocation

The fund does not have a sector allocation policy. The fund invests into high-growth, publicly listed companies that cater to the previous and next billion internet users. The portfolio is based on a differentiated universe of high-growth companies, containing segments like internet platforms, fintechs, technology enablers and online consumer and media.

| Sector allocation | | Deviation index | |
|------------------------|-------|-----------------|--|
| Financials | 28.2% | 5.8% | |
| Information Technology | 20.5% | -3.2% | |
| Communication Services | 19.2% | 10.6% | |
| Consumer Discretionary | 18.9% | 6.5% | |
| Real Estate | 4.5% | 3.0% | |
| Energy | 4.1% | -1.2% | |
| Industrials | 3.6% | -3.4% | |
| Consumer Staples | 0.9% | -4.7% | |
| Health Care | 0.0% | -3.5% | |
| Utilities | 0.0% | -2.8% | |
| Materials | 0.0% | -7.2% | |

Regional allocation

The fund's regional allocation is the result of the bottom-up stock selection strategy, where some holdings have been obtained through positions in ADRs and/or GDRs.

| Regional allocation | | Deviation index | |
|---------------------|-------|-----------------|--|
| Asia | 56.2% | -22.5% | |
| America | 27.6% | 18.7% | |
| Europe | 15.3% | 12.7% | |
| Middle East | 0.8% | -6.3% | |
| Africa | 0.0% | -2.8% | |

Currency allocation

The portfolio itself does not use currency hedges. The currency allocation is based on the listings of the investments of the portfolio, where some holdings have been obtained through positions in ADRs and/or GDRs.

| Currency allocation | | Deviation index | |
|-------------------------|-------|-----------------|--|
| U.S. Dollar | 36.3% | 34.6% | |
| Hong Kong Dollar | 18.8% | -0.5% | |
| Indian Rupee | 10.6% | -7.1% | |
| Euro | 5.2% | 4.7% | |
| Chinese Renminbi (Yuan) | 4.9% | 0.5% | |
| Singapore Dollar | 4.3% | 4.3% | |
| Pound Sterling | 4.1% | 4.1% | |
| Kazakhstan Tenge | 3.9% | 3.9% | |
| Philippine Peso | 3.2% | 2.6% | |
| Korean Won | 2.8% | -10.0% | |
| Vietnam Dong | 2.4% | 2.4% | |
| Brasilian Real | 0.9% | -4.3% | |
| Other | 2.5% | -35.2% | |

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.

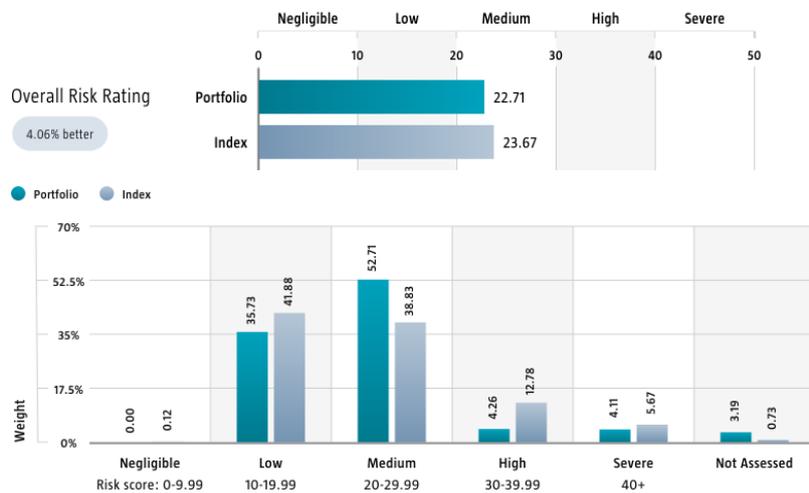
Sustainability

The fund 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.

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 Emerging Markets Index (Net Return, EUR).

Sustainalytics ESG Risk Rating

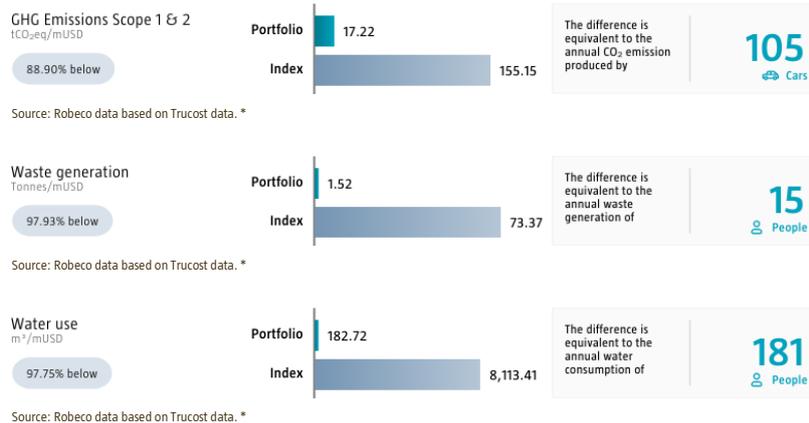
The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio 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.



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Environmental Footprint

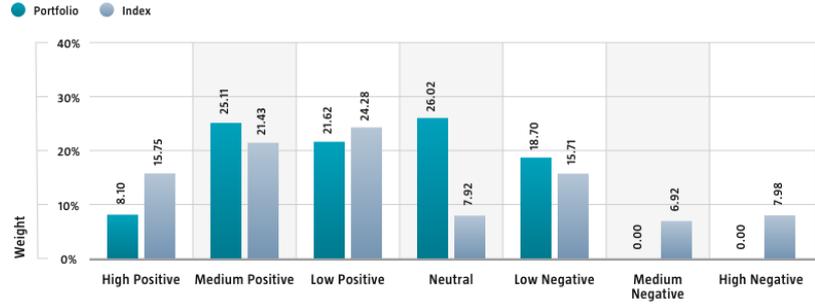
Environmental footprint expresses the total resource consumption of the portfolio per mUSD invested. Each assessed company's footprint is calculated by normalizing resources consumed by the company's enterprise value including cash (EVIC). We aggregate these figures to portfolio level using a weighted 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.



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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.



Source: Robeco. Data derived from internal processes.

Engagement

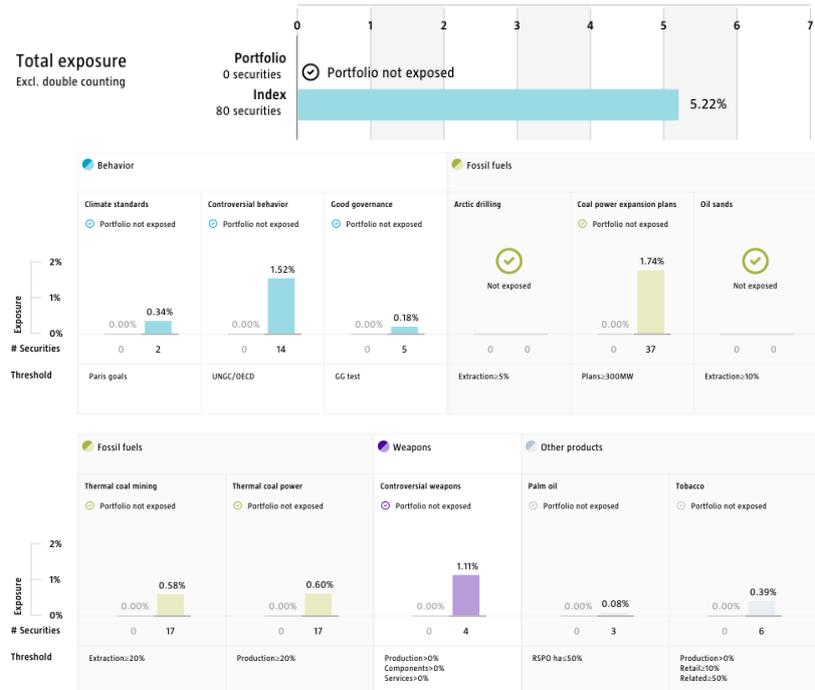
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching international 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.

| Category | Portfolio exposure | # companies engaged with | # activities with companies engaged with |
|-------------------------------------|--------------------|--------------------------|--|
| Total (* excluding double counting) | 26.40% | 9 | 26 |
| Environmental | 2.89% | 1 | 2 |
| Social | 11.49% | 4 | 15 |
| Governance | 2.81% | 1 | 4 |
| Sustainable Development Goals | 3.48% | 1 | 1 |
| Voting Related | 5.73% | 2 | 4 |
| 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

Robeco Next Digital Billion is an actively managed fund that invests in companies in emerging markets. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than that of the index. The fund selects companies with high growth potential that aim to cater to the previous and next billion internet users. Many of the targeted emerging countries now have a critical mass in internet penetration and coupled with the absence of traditional economic infrastructure, this can lead to the emergence of the next wave of technology companies and value creation.

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 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 ESG characteristics promoted by the fund.

Fund manager's CV

Michiel van Voorst is Co-Portfolio Manager within the Trends Equities team. He has a focus on financials/fintech/next digital billion. In 2019, Michiel rejoined Robeco from Union Bancaire Privée in Hong Kong where he was CIO Asian Equities. Prior to that, Michiel spent 12 years at Robeco in several senior positions including senior portfolio manager Rolinco Global Growth fund and Robeco Asian Stars. Prior to joining Robeco in 2005, Michiel was Portfolio Manager US Equity at PGGM and Economist with Rabobank Netherlands. Michiel started his career in the investment industry in 1996. Michiel van Voorst holds a Master's in Economics from University of Utrecht and 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.

Sustainability images

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

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