ROBECO

Factsheet | Figures as of 29-02-2024

Robeco Sustainable Property Equities D EUR

Robeco Sustainable Property Equities is an actively managed fund that invests in stocks in developed countries across the world. The selection of these stocks is based on fundamental analysis. This fund identifies strong global property trends first. Within these trends the fund aims to select the property companies with the best prospects. Carefully developed models are used to select stocks with good earnings prospects and a reasonable valuation. Discussions with management and business-data analyses are then carried out in order to stringently screen the individual companies. Voting, Engagement, ESG Integration and Robeco's exclusion policy are part of the



Folmer Pietersma, Frank Onstwedder
Fund manager since 01-10-2007

Performance

	Fund	Index
1 m	0.78%	0.13%
3 m	6.15%	5.86%
Ytd	-1.78%	-2.13%
1 Year	-1.55%	-0.04%
2 Years	-6.07%	-5.39%
3 Years	2.01%	3.03%
5 Years	1.52%	1.48%
10 Years	5.50%	5.67%
Since 06-1998	5.97%	6.43%

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	4.93%	6.67%
2022	-21.82%	-20.10%
2021	34.81%	35.24%
2020	-11.41%	-14.75%
2019	26.27%	23.94%
2021-2023	3.41%	4.85%
2019-2023	4.35%	4.02%

Annualized (years)

Index

S&P Developed Property Index (Net Return, EUR)

General facts

Morningstar	★★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 398,864,260
Size of share class	EUR 9,443,988
Outstanding shares	51,764
1st quotation date	03-06-1998
Close financial year	31-12
Ongoing charges	1.61%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	7.00%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

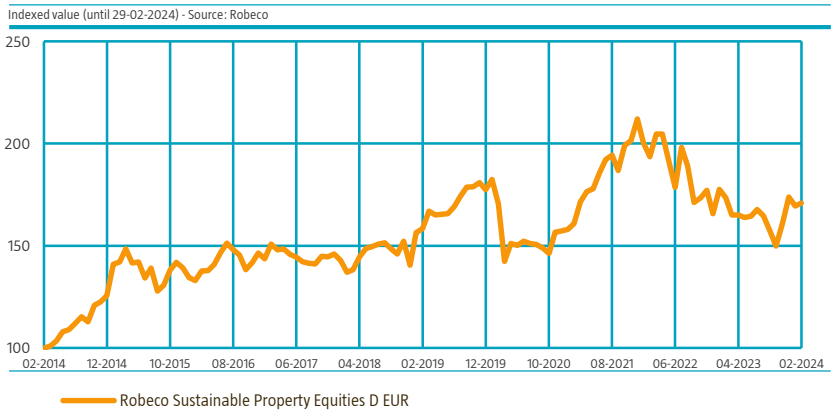
- Exclusions+
- ESG Integration
- Voting
- ESG Target

ESG score target	Footprint target
Better than index	20% Better than index

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

Performance

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



Performance

Based on transaction prices, the fund's return was 0.78%.
February was an interesting month with many reversals versus January. Top-down intervention by Chinese policymakers resulted in a reversal of January's losses in that market and also pushed Hong Kong real estate stocks higher. The higher bond yields put performance pressure on Europe, where many of its highly leveraged stocks performed badly in February, while US real estate stocks went up as their sensitivity to rate moves is lower than Europe's. From a subindustry perspective, data center REITs showed the strongest performance again in February. Data center REITs performed well as strong fundamentals get reflected in higher rents. The outperformance in February was driven by stock selection within the PropTech and Sustainable Cities trends. Within PropTech, the performance of Equinix, Goodman Group, CBRE and LOG Commercial were the main drivers. Equinix and Goodman Group both benefit from positive trends in the data center industry, while reporting strong earnings as well. Within Sustainable Cities, Mitsubishi Estate continued to perform well, while Hong Kong-based holdings Swire Properties and Sun Hung Kai Properties recovered strongly on the back of Chinese policy interventions.

Market development

After a strong end to 2023, the real estate sector took a breather in the first two months of 2024. Economic data points in the US, in particular employment growth, came in stronger than expected. Interest rates, especially on the shorter end, reacted strongly, with the US 2-year Treasury yield jumping from 4.21% to 4.63% by the end of February. Spreads remained stable, with US BBB spreads steady at 135 basis points. While the financing environment for (real estate) companies remains a headwind from an earnings perspective, absolute and marginal financing costs have improved materially since late October. Since the start of the bear market in real estate stocks in September 2021, November 2023 was the third time that the sector started to rally on interest rate and inflation expectations. This time the rally continued in December and despite the move up in global bond yields in 2024 year-to-date, the sector's performance has remained resilient since then. Will the third time be the charm? As in previous cycles, the listed real estate market was early in pricing in a correction in the direct market and could also be early in factoring in an end to the downturn.

Expectation of fund manager

Commercial real estate fundamentals are decelerating, but from very healthy levels. Labor markets are tight and employment growth is strong, though decelerating. Historically, employment growth has been a key demand driver of real estate space. The supply of new real estate space is being curtailed, as construction costs increased and financing has dried up. Developed economies are expected to remain in an inflationary environment. In general, it is easier for a landlord to negotiate rent increases when other goods and services are also going up in price. While fundamentals remain supportive for property stocks, financing costs have risen sharply. As the listed real estate sector has repriced trading below NAV, declining property values have already been priced in. Looking at longer-term periods in history, we find that the sector has generated attractive returns versus general equities. Ownership of property assets offers an attractive income stream and the opportunity to benefit from land value appreciation. Its attractive yield is even more valuable due to the sector's inflation-hedging attributes.

Top 10 largest positions

The largest names in the portfolio represent companies that are beneficiaries from the three trends, which we believe are the key drivers of sustained sector growth: PropTech, Sustainable Cities and Lifestyle. Prologis, Goodman and Equinix are part of the PropTech segment – real estate companies that benefit from technological changes. Equinix is a data center owner/operator benefiting from accelerated growth in internet usage. Prologis and Goodman are two of the world's leading logistics warehouse developers/owners. Several names in the top ten are beneficiaries from changes in peoples' lifestyle: Extra Space Storage, AvalonBay Communities, American Homes 4 Rent, Equity LifeStyle and Welltower.

Fund price

29-02-24	EUR	182.44
High Ytd (02-01-24)	EUR	187.12
Low Ytd (13-02-24)	EUR	179.10

Fees

Management fee	1.40%
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	D EUR

This fund is a subfund of Robeco Capital Growth Funds, SICAV

Registered in

Austria, Belgium, Chile, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Peru, Singapore, Spain, Sweden, Switzerland, Taiwan, United Kingdom

Currency policy

The fund can engage in currency hedging transactions.

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	LU0187079180
Bloomberg	RGCGPED LX
Sedol	B1HPN61
WKN	A0CA0U
Valoren	1794743

Top 10 largest positions

Holdings	Sector	%
Prologis Inc	Industrial REITs	8.88
Equinix Inc	Specialized REITs	7.90
Welltower Inc	Health Care REITs	4.33
Simon Property Group Inc	Retail REITs	4.28
Extra Space Storage Inc	Specialized REITs	3.54
Equity LifeStyle Properties Inc	Residential REITs	3.06
American Homes 4 Rent	Residential REITs	3.05
AvalonBay Communities Inc	Residential REITs	3.02
Goodman Group	Industrial REITs	2.86
Kimco Realty Corp	Retail REITs	2.72
Total		**43.65**

Top 10/20/30 weights

TOP 10	43.65%
TOP 20	64.20%
TOP 30	79.51%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	1.85	3.44
Information ratio	0.36	0.49
Sharpe ratio	0.15	0.16
Alpha (%)	0.66	1.62
Beta	1.01	0.91
Standard deviation	17.13	16.53
Max. monthly gain (%)	10.78	10.78
Max. monthly loss (%)	-9.47	-16.07

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	20	34
Hit ratio (%)	55.6	56.7
Months Bull market	20	34
Months outperformance Bull	12	19
Hit ratio Bull (%)	60.0	55.9
Months Bear market	16	26
Months Outperformance Bear	8	15
Hit ratio Bear (%)	50.0	57.7

Above mentioned ratios are based on gross of fees returns.

Asset Allocation

Asset allocation	
Equity	97.8%
Cash	2.2%

Sector allocation

The fund managers prefer real estate companies with solid income-producing portfolios and financial profiles. The fund is overweight in residential REITs, both multi-family residential REITs and single-family residential REITs, and industrial/logistics stocks, of which most are classified as industrial REITs and some as real estate management & development. Within specialized REITs, the fund has a relatively large weight in telecom tower REITs and self-storage REITs. The main underweights are diversified REITs, hotel & resort REITs and triple-net REITs represented within specialized REITs, healthcare REITs and retail REITs. The three key trend portfolios are: PropTech, Sustainable Cities and Lifestyle. These three trends represent 32%, 34% and 34% respectively, of the fund.

Sector allocation		Deviation index
Specialized REITs	19.5%	2.0%
Real Estate Management & Development	19.3%	1.6%
Residential REITs	17.3%	6.0%
Industrial REITs	14.9%	-1.2%
Retail REITs	13.1%	-2.1%
Health Care REITs	6.9%	0.0%
Office REITs	6.7%	0.5%
Diversified REITs	1.5%	-4.8%
Diversified Telecommunication Services	0.8%	0.8%
Hotel & Resort REITs	0.0%	-2.9%

Regional allocation

The fund has an overweight position in North America, while being underweight in Asia.

Regional allocation		Deviation index
America	65.6%	3.4%
Asia	22.7%	-2.2%
Europe	11.7%	-0.1%
Middle East	0.0%	-1.0%

Currency allocation

The fund manager implements an active currency hedging policy, which means that the deviations from the index weightings tend to be small. For some emerging market currencies, such as the Brazilian real, hedging is relatively expensive and therefore not undertaken.

Currency allocation		Deviation index
U.S. Dollar	62.5%	1.4%
Japanese Yen	11.8%	0.0%
Australian Dollar	5.9%	0.1%
Euro	5.4%	0.2%
Hong Kong Dollar	3.5%	-0.2%
Pound Sterling	3.4%	-0.4%
Singapore Dollar	2.6%	-0.4%
Swedish Kroner	1.7%	0.0%
Canadian Dollar	1.1%	-0.3%
Israeli Shekel	1.0%	0.0%
Swiss Franc	0.9%	-0.2%
Brasilian Real	0.5%	0.5%
Other	-0.3%	-0.7%

ESG Important information

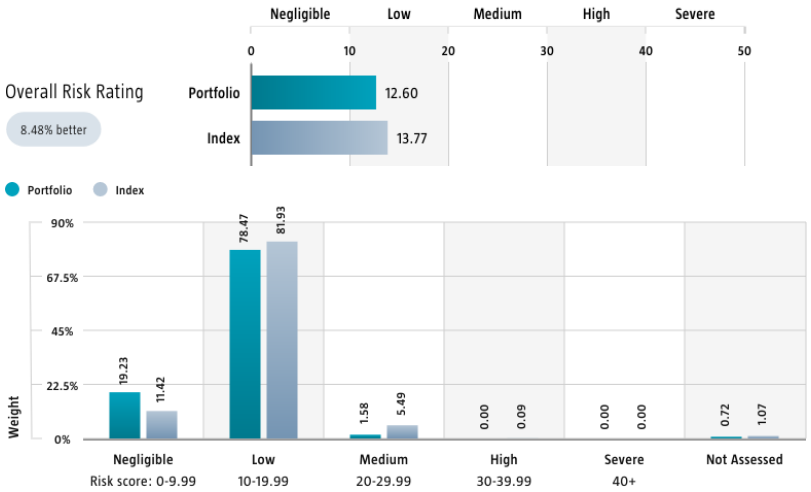
The sustainability information in this factsheet can help investors integrate sustainability considerations in their process. This information is for informational purposes only. The reported sustainability information may not at all be used in relation to binding elements for this fund. A decision to 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 via exclusions, ESG integration, ESG and environmental footprint targets, 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 fundamental investment analysis to assess existing and potential ESG risks and opportunities. In the stock selection the fund limits exposure to elevated sustainability risks. The fund also targets a better ESG score and at least 20% lower carbon, water and waste footprints compared to the reference index. 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 S&P Developed Property Index (Net Return, EUR).

Sustainalytics ESG Risk Rating

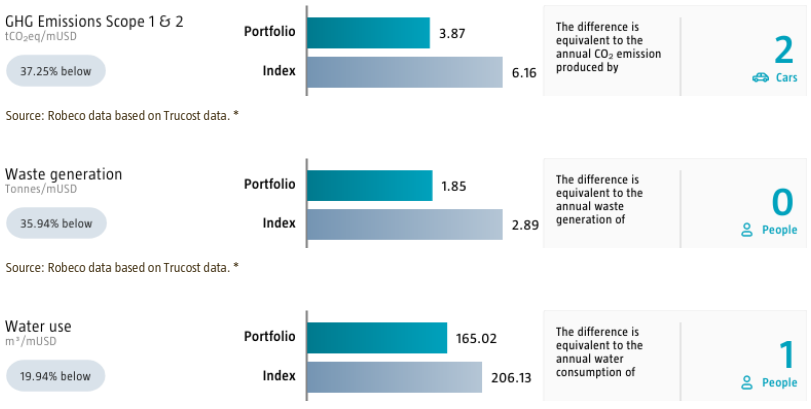
The Portfolio Sustainalytics ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainalytics ESG Risk Rating by its respective portfolio weight. The Distribution across Sustainalytics ESG Risk levels chart shows the portfolio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



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. *

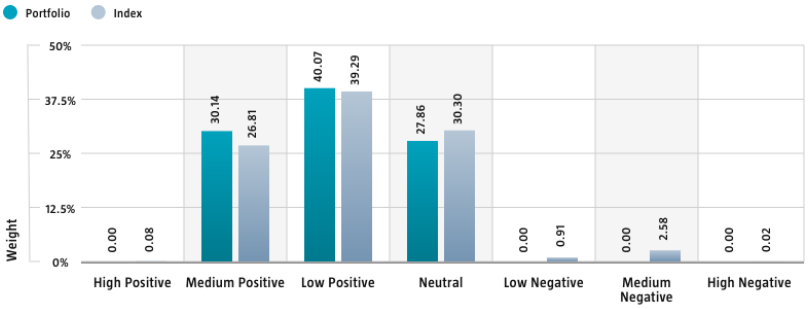
Source: Robeco data based on Trucost data. *

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.

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

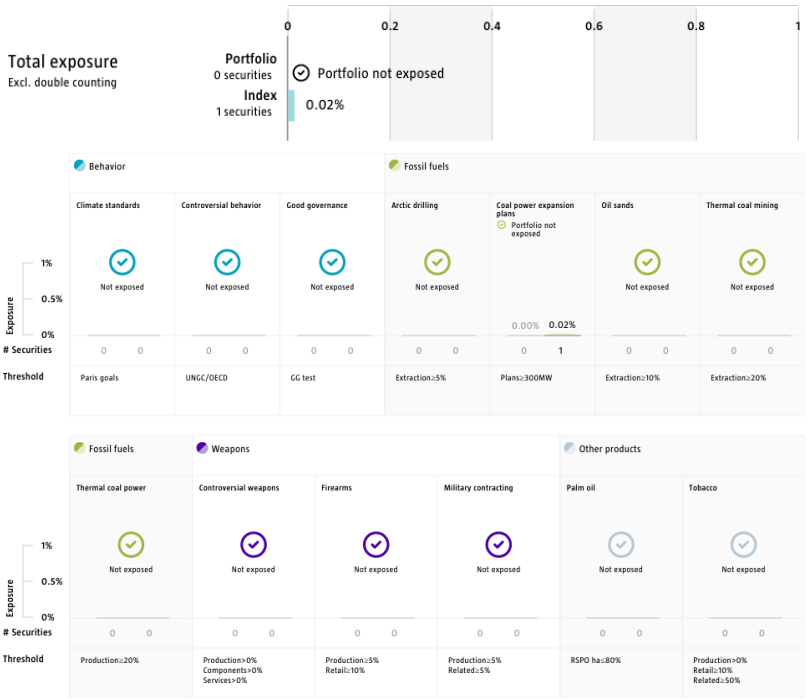
Robeco distinguishes between three types of engagement. Value Engagement focuses on long-term issues that are financially material and/or are causing adverse sustainability impacts. The themes can be broken into Environmental, Social, Governance, or Voting-related. SDG Engagement aims to drive a clear and measurable improvement in a company's SDG contribution. Enhanced engagement is triggered by misconduct and focuses on companies severely breaching 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)	4.68%	3	9
Environmental	1.88%	1	3
Social	0.00%	0	0
Governance	0.00%	0	0
Sustainable Development Goals	1.60%	1	4
Voting Related	2.80%	2	2
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 Sustainable Property Equities is an actively managed fund that invests in stocks in developed countries across the world. The selection of these stocks is based on fundamental analysis. This fund identifies strong global property trends first. Within these trends the fund aims to select the property companies with the best prospects. Carefully developed models are used to select stocks with good earnings prospects and a reasonable valuation. Discussions with management and business-data analyses are then carried out in order to stringently screen the individual companies. Voting, Engagement, ESG Integration and Robeco's exclusion policy are part of the
The fund aims for a better sustainability profile compared to the Benchmark by promoting certain E&S (i.e. Environmental and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation and integrating ESG and 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, engagement and an improved environmental footprint.
The investment policy is not constrained by a benchmark but the fund may use a benchmark for comparison purposes. 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 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

Folmer Pietersma is Portfolio Manager of the Robeco Sustainable Property Equities fund and member of the Sustainable Global Equities team. Prior to joining Robeco in 2007, Folmer worked at ABN AMRO Asset Management as a Portfolio Manager and Analyst Financials. He started his career at ING in 1997. He holds a Master's in Economics from the University of Tilburg and has a CEFA registration. Frank Onstwedder is Portfolio Manager of the Robeco Sustainable Property Equities fund and member of the Sustainable Global Equities team. He rejoined Robeco in 2018. Prior to that, Frank worked at NN IP in the period 2009-2018 as Head of Financials and Analyst Real Estate in the global equity research team, and as a portfolio manager at Lehman Brothers/Neuberger Berman in the period 2007-2009. In the periods 1994-1998 and 2000-2007 he worked at Robeco in various roles, including Portfolio Manager Robeco Property Fund, between those periods he worked at Aegon Investment Management. He holds a Master's in Econometrics 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.

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.

Sustainalytics disclaimer

The information, methodologies, data and opinions contained or reflected herein are proprietary of Sustainalytics and/or third parties, intended for internal, non-commercial use, and may not be copied, distributed or used in any way, including via citation, unless otherwise explicitly agreed in writing. They are provided for informational purposes only and (1) do not constitute investment advice; (2) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (3) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; (4) are not a substitute for a professional advice; (5) past performance is no guarantee of future results. These are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics nor any of its third-party suppliers accept any liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. Insofar as applicable, researched companies referred herein may have a relationship with different Sustainalytics' business units. Sustainalytics has put in place adequate measures to safeguard the objectivity and independence of its opinions. For more information, contact compliance@sustainalytics.com.

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.