

## Robeco Emerging Markets Equities I EUR

Robeco Emerging Markets Equities is an actively managed fund that invests in stocks in emerging countries across the world. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than the index. Given that emerging economies are growing faster than developed countries and have stronger balance sheets for governments, companies and households. 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, Dimitri Chatzoudis, Jaap van der Hart,  
Cornelis Vlooswijk**  
Fund manager since 01-04-2000

### Performance

|               | Fund   | Index  |
|---------------|--------|--------|
| 1 m           | -4.26% | -3.18% |
| 3 m           | -2.24% | -2.83% |
| Ytd           | -3.99% | -3.64% |
| 1 Year        | -4.69% | -3.48% |
| 2 Years       | 8.03%  | 9.01%  |
| 3 Years       | 7.01%  | 6.52%  |
| 5 Years       | 6.15%  | 5.81%  |
| 10 Years      | 5.63%  | 5.06%  |
| Since 02-2005 | 8.51%  | 8.22%  |

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   |
|-----------|---------|---------|
| 2021      | 5.27%   | 4.86%   |
| 2020      | 6.83%   | 8.54%   |
| 2019      | 29.16%  | 20.61%  |
| 2018      | -15.02% | -10.27% |
| 2017      | 22.95%  | 20.59%  |
| 2019-2021 | 13.25%  | 11.14%  |
| 2017-2021 | 8.70%   | 8.23%   |

Annualized (years)

### Index

MSCI Emerging Markets Index (Net Return, EUR)

### General facts

|                              |  |
|------------------------------|--|
| Morningstar                  | ★★★★★                                      |
| Type of fund                 | Equities                                   |
| Currency                     | EUR  |
| Total size of fund           | EUR 1,168,050,240                          |
| Size of share class          | EUR 493,477,515                            |
| Outstanding shares           | 1,148,129                                  |
| 1st quotation date           | 11-01-2005                                 |
| Close financial year         | 31-12                                      |
| Ongoing charges              | 0.97%                                      |
| Daily tradable               | Yes  |
| Dividend paid                | No   |
| Ex-ante tracking error limit | 6.00%                                      |
| 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 28-02-2022) - Source: Robeco



### Performance

Based on transaction prices, the fund's return was -4.26%.

In February, the fund underperformed the MSCI EM, mostly due to the positions in Russia and companies with some Russian exposure in Hungary and South Africa. The fund initially had an overweight position in Russia. After Russia's recognition of the separatist republics and Putin's speech on 21 February, the fund lowered the positions in Russia immediately and went to a neutral position. However, Russia still detracted from performance. As did the positions in Hungary, as both holdings OTP Bank and Gedeon Richter have some Russia and Ukraine exposure. In South Africa, internet company Naspers underperformed, due to weak performance of its key holding Tencent and Russia exposure through its mail.ru holding, though less than 1% of its assets. In Brazil, the positions in energy company Cosan and iron ore company CSN Mineração lagged. The main positive contributors were the large weight in South Korea and stock selection in China, where the fund benefited from having an underweight in internet companies, such as Tencent, JD.com and Meituan, while Xinyi Solar, insurer PICC P&C and fintech Lufax performed well. Bank Rakyat Indonesia, Mexican financial Banorte and South Korea's Hana Financial also did well.

### Market development

In February, the MSCI EM fell by 3.2%, slightly worse than developed markets, which declined by 2.7%. Year-to-date, EM still outperformed DM. The big shock was the devastating and unprovoked Russian invasion in Ukraine, which has led to widespread sanctions against Russia. Trading in Russian equities became restricted and Russian equities listed in the US and in Moscow stopped trading from 28 February. The MSCI Russia was down 53%, but this understates the real effect due to the halted trading. With MSCI's decision to remove Russia from the index at a price of 0.00001 for all Russian equities, they will lose all of their remaining value in March. Commodity prices rose due to the war in Ukraine, with the Brent oil price moving back up above USD 100. Global interest rates rose initially on continuous high inflation, but fell after the start of the war. The equities in Hungary and Poland also went down significantly. Several other emerging markets, such as Peru, Malaysia, Indonesia and Thailand, traded higher over the month. Several emerging countries raised interest rates, including Brazil, Mexico, the Czech Republic, Poland and Hungary. Russia raised its rates from 8.5% to 20% to stem the collapse of the ruble.

### Expectation of fund manager

The Russian equity market has become un-investable, and the value of Russian equities has been reduced to zero. Until Russia normalizes again, its equity market will remain irrelevant for EM investors. However, the war also affects the world and its economy. Energy prices have risen sharply, inflation will rise further, Europe will reduce dependency on Russian gas and spend more on defense, and geopolitical risks continue to be very high. Although new infections have risen recently, we are getting closer to a post-Covid world again. The other major change in 2022 is the end of the very supportive monetary and fiscal policies, which has helped growth to rebound and the earnings outlook to improve across the globe. Given the equities' rebound in 2020 and 2021, global equity market valuations are not particularly cheap. However, we do think that emerging markets are attractively valued relative to developed markets, trading at around a 35% discount, based on earnings. In addition, China, South Korea and Taiwan, which account for two-thirds of the emerging equity universe nowadays, have coped well with the coronavirus and are showing relatively high economic and earnings growth.

### Top 10 largest positions

Our top ten positions comprise a combination of IT and consumer discretionary, with some exposure to financials and communication services. Alibaba Group is the largest e-commerce company in China. Samsung Electronics is the well-known global IT brand from South Korea. Taiwan Semi (TSMC) is a key supplier to global IT hardware producers. The portfolio holds ICICI Bank and Housing Development Finance Corporation from India, Bank Rakyat Indonesia and China Merchants Bank as the most attractive financials. Tencent Holdings has been in the top ten since October 2020. Telkom Indonesia is the country's incumbent telco operator. Finally, Infosys is one of India's largest consulting and software services companies.

### Fund price

|                     |     |        |
|---------------------|-----|--------|
| 28-02-22            | EUR | 429.45 |
| High Ytd (12-01-22) | EUR | 465.18 |
| Low Ytd (28-02-22)  | EUR | 429.45 |

### Fees

|                            |       |
|----------------------------|-------|
| Management fee             | 0.80% |
| Performance fee            | None  |
| Service fee                | 0.16% |
| Expected transaction costs | 0.03% |

### Legal status

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

### Registered in

Austria, Chile, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Singapore, Spain, Switzerland, 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      | LU0209325462 |
| Bloomberg | ROBEMRI LX   |
| Sedol     | B3L17T0      |
| WKN       | A0EQZE       |
| Valoren   | 2034113      |

### Top 10 largest positions

#### Holdings

|  |
|--|
| Taiwan Semiconductor Manufacturing Co Lt |
| Samsung Electronics Co Ltd               |
| Alibaba Group Holding Ltd                |
| China Merchants Bank Co Ltd              |
| Infosys Ltd ADR                          |
| Bank Rakyat Indonesia Persero Tbk PT     |
| Housing Development Finance Corp Ltd     |
| Telkom Indonesia Persero Tbk PT          |
| ICICI Bank Ltd ADR                       |
| Tencent Holdings Ltd                     |
| <b>Total</b>                             |

| Sector                 | %            |
|------------------------|--------------|
| Information Technology | 9.90         |
| Information Technology | 5.51         |
| Consumer Discretionary | 3.06         |
| Financials             | 3.02         |
| Information Technology | 2.58         |
| Financials             | 2.42         |
| Financials             | 2.40         |
| Communication Services | 2.31         |
| Financials             | 2.24         |
| Communication Services | 2.06         |
| <b>Total</b>           | <b>35.51</b> |

### Top 10/20/30 weights

|        |        |
|--------|--------|
| TOP 10 | 35.51% |
| TOP 20 | 51.16% |
| TOP 30 | 62.26% |

### Statistics

|                            | 3 Years | 5 Years |
|----------------------------|---------|---------|
| Tracking error ex-post (%) | 3.27    | 2.97    |
| Information ratio          | 0.50    | 0.45    |
| Sharpe ratio               | 0.52    | 0.51    |
| Alpha (%)                  | 1.36    | 1.01    |
| Beta                       | 1.05    | 1.06    |
| Standard deviation         | 16.50   | 14.98   |
| Max. monthly gain (%)      | 9.36    | 10.26   |
| Max. monthly loss (%)      | -17.28  | -17.28  |

Above mentioned ratios are based on gross of fees returns.

### Hit ratio

|                            | 3 Years | 5 Years |
|----------------------------|---------|---------|
| Months outperformance      | 22      | 35      |
| Hit ratio (%)              | 61.1    | 58.3    |
| Months Bull market         | 25      | 38      |
| Months outperformance Bull | 17      | 25      |
| Hit ratio Bull (%)         | 68.0    | 65.8    |
| Months Bear market         | 11      | 22      |
| Months Outperformance Bear | 5       | 10      |
| Hit ratio Bear (%)         | 45.5    | 45.5    |

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 (EUR).

### 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.

## Asset Allocation

| Asset allocation |   |        |
|------------------|---|--------|
| Equity           |  | 100.7% |
| Cash             |  | -0.7%  |



























## Sector allocation

The main overweight sectors are financials, consumer discretionary and information technology. Together with valuations that are attractive, we expect positive earnings growth for these sectors. Conversely, consumer staples, communication services and healthcare are the largest underweight positions compared to the benchmark.

| Sector allocation      |   | Deviation index   |       |
|------------------------|---|---|-------|
| Information Technology |  26.7% |  | 4.9%  |
| Financials             |  25.2% |  | 4.2%  |
| Consumer Discretionary |  15.7% |  | 3.2%  |
| Materials              |  8.6%  |  | -0.7% |
| Communication Services |  6.8%  |  | -3.7% |
| Industrials            |  5.4%  |  | 0.1%  |
| Energy                 |  3.5%  |  | -1.7% |
| Real Estate            |  3.4%  |  | 1.3%  |
| Utilities              |  2.5%  |  | 0.1%  |
| Consumer Staples       |  1.3%  |  | -4.6% |
| Health Care            |  0.9%  |  | -3.0% |



























## Country allocation

Emerging markets in Asia in general, and South Korea, Greater China, Indonesia and Vietnam in particular, are 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. We prefer domestic exposure in countries such as China and India over the export sectors. In Latin America, we are underweight in all countries except Brazil and Mexico. Among the EMEA countries, the fund holds overweight positions in Hungary, Poland and Greece. It has no positions in the Czech Republic and the Middle East, and an underweight position in South Africa.

| Country allocation |   | Deviation index   |       |
|--------------------|---|---|-------|
| China              |  31.2%   |    | -0.6% |
| Korea              |  17.4%   |    | 5.1%  |
| Taiwan             |  16.3%  |   | 0.2%  |
| India              |  10.9% |  | -1.5% |
| Brazil             |  5.9%  |  | 0.9%  |
| Indonesia          |  4.9%  |  | 3.3%  |
| South Africa       |  2.5%  |  | -1.2% |
| Greece             |  2.3%  |  | 2.1%  |
| Mexico             |  2.3%  |  | 0.2%  |
| Hong Kong          |  1.2%  |  | 1.2%  |
| Russia             |  0.9%  |  | -0.7% |
| Hungary            |  0.9%  |  | 0.7%  |
| Other              |  3.3%  |  | -9.7% |

## Currency allocation

Currency exposure is in line with country exposure. At the end of February, there were no currency hedges.

| Currency allocation     |   | Deviation index   |        |
|-------------------------|---|---|--------|
| Hong Kong Dollar        |  21.1% |  | -3.8%  |
| Korean Won              |  16.7% |  | 4.4%   |
| Taiwan Dollar           |  16.5% |  | 0.4%   |
| Chinese Renminbi (Yuan) |  11.1% |  | 5.6%   |
| Indian Rupee            |  11.0% |  | -1.4%  |
| Brasilian Real          |  5.7%  |  | 0.7%   |
| Indonesian Rupiah       |  4.9%  |  | 3.3%   |
| Euro                    |  2.9%  |  | 2.6%   |
| South African Rand      |  2.5%  |  | -1.2%  |
| Mexico New Peso         |  2.3%  |  | 0.2%   |
| Russian Rouble          |  0.9%  |  | -0.6%  |
| Hungarian Forint        |  0.9%  |  | 0.7%   |
| Other                   |  3.5%  |  | -10.9% |

## Investment policy

Robeco Emerging Markets Equities is an actively managed fund that invests in stocks in emerging countries across the world. The selection of these stocks is based on fundamental analysis. The fund's objective is to achieve a better return than the index. The fund promotes ESG (i.e. Environmental, Social and corporate Governance) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation and integrates ESG and sustainability risks in the investment process. In addition, the fund applies an exclusion list on the basis of controversial behavior, products (including controversial weapons, tobacco, palm oil and fossil fuel) and countries, next to voting and engaging. Given that emerging economies are growing faster than developed countries and have stronger balance sheets for governments, companies and households. 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. 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 weightings of the Benchmark. The fund aims to outperform the Benchmark over the long run, whilst still controlling relative risk through the applications of limits (on countries and sectors) to the extent of deviation from the Benchmark. This will consequently limit the deviation of the performance relative to 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

Wim-Hein Pals joined Robeco in 1990. He is Head of the Emerging Markets team and Fund Manager for Robeco CGF Emerging Markets Equities. He is also part of the Portfolio Construction team of the Robeco Emerging Markets Smaller Companies strategy. From 1998 to 2001, he 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 holds a M.Sc. degree in Industrial Engineering and Management Sciences from the Eindhoven University of Technology and a Master's degree in Business Economics from the University of Tilburg, the Netherlands. Dimitri Chatzoudis joined Robeco in 2008. He is the Fund Manager of our institutional emerging markets equities funds and mandates. He is also responsible for the team's investments in Turkey, Central Europe, Greece and Mexico. He started his career at ABN AMRO in 1993 as a buy side analyst, responsible for the IT sector. He transitioned to the Emerging Markets team at ABN AMRO in 2000, where he was responsible for the Eastern Europe Fund as the lead portfolio manager and from 2005 to May 2008 as the lead portfolio manager of the Global Emerging Market portfolios. Dimitri holds a Master's degree in Industrial Engineering from the Eindhoven University of Technology and became a VBA charter holder in 1997. Jaap van der Hart is the Lead Portfolio Manager of Robeco's high conviction emerging markets strategy since its inception in November 2006. He has been with Robeco since 1994, starting at the Quantitative Research department and moving to the Emerging Markets Equities team in 2000. Over time, he has been responsible for the investments in South America, Eastern Europe, South Africa, Mexico, China and Taiwan. He coordinates the country allocation process and he has been the Emerging Stars fund manager since its launch in 2006. Since 2015, he is also the fund manager of the Emerging Opportunities fund. Jaap holds a Master's degree in Econometrics from Erasmus University Rotterdam. He has published several academic articles on stock selection in emerging markets. Cornelis Vlooswijk, Senior Portfolio Manager within the Robeco Emerging Markets Equities team. Prior to joining the team in June 2008 as a research analyst, Cornelis held a position as Strategist at IRIS. Before that he was employed by Credit Suisse as a Corporate Finance Analyst for four years. Cornelis started his career in the investment industry in 1999. He holds a Master's degree in Economics from Erasmus University, Rotterdam. Cornelis 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 0.01% 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.

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