

Robeco Sustainable Property Equities I 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 investment policy.



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

Performance

	Fund	Index
1 m	-3.27%	-2.50%
3 m	-3.72%	-1.92%
Ytd	-8.57%	-6.80%
1 Year	21.18%	22.18%
2 Years	7.37%	6.46%
3 Years	7.72%	6.33%
5 Years	5.92%	4.43%
10 Years	8.66%	8.93%
Since 05-2006	5.22%	

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	35.79%	35.24%
2020	-10.74%	-14.75%
2019	27.27%	23.94%
2018	-3.01%	-2.28%
2017	0.56%	-1.46%
2019-2021	15.54%	12.63%
2017-2021	8.51%	6.59%

Annualized (years)

Index

Property Equities S&P Developed Property Index

General facts

Morningstar	★★★★★
Type of fund	Equities
Currency	EUR
Total size of fund	EUR 363,397,075
Size of share class	EUR 24,458,836
Outstanding shares	109,239
1st quotation date	02-05-2006
Close financial year	31-12
Ongoing charges	0.88%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	7.00%
Management company	Robeco Institutional Asset Management B.V.

Sustainability profile

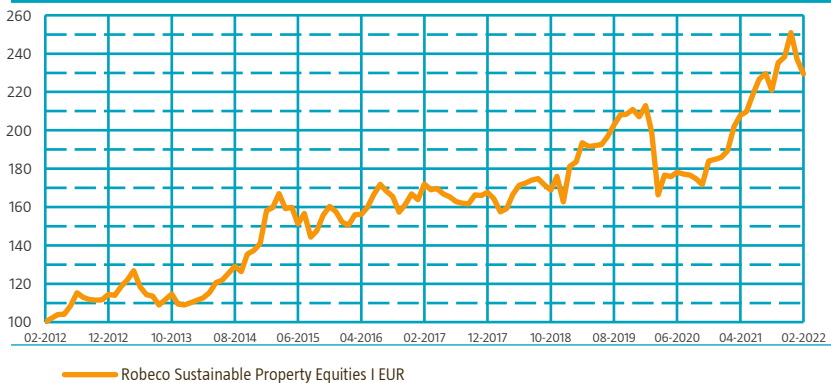
- Exclusions+
- ESG Integration
- Voting
- ESG Target

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



Performance

Indexed value (until 28-02-2022) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -3.27%.

Many real estate companies reported earnings in February. With the economy posting solid growth in 2021, two-thirds of the companies reported better-than-expected earnings and about one-third announced better-than-consensus guidance for 2022. All in all, a very good reporting season. Unfortunately, other developments, such as the previously discussed change-of-heart at the Fed and of course the geopolitical developments, overshadowed the earnings season. Overall, in 2022 year-to-date, we saw a significant performance reversal compared to late last year. Stock selection was negative across the trends. Portfolio holdings within Prime Retail contributed most to the negative effect, with Lifestyle and Prime Office stocks also contributing negatively. Within Prime Retail we saw profit-taking in the US, which performed very well in 2021, while some of its peers in Australia, Singapore, Canada and continental Europe benefited from the lifting of Covid restrictions. Within Prime Office, takeout bids have emerged as valuations have attracted private equity capital. While many of our holdings in Prime Office performed well, we did not own the stocks that went up the most.

Market development

Markets around the world continued to correct in February on the back of rising inflation numbers, more hawkish comments from the Fed and the rapid escalation of the conflict between Russia and Ukraine. The Fed is now estimated to raise rates at least five times this year to an expected 1.4% by the end of the year. The US 10-year Treasury bond yield went up from 1.78% to 2.05% intramonth, before a flight-to-safety took it back to 1.83% at the end of the month. Corporate bond spreads continued to widen, with the US BBB yield spread going up from 121 basis points at the start of the year to 156 basis points at the end of February. Although yields have moved up, the yield spread between US corporates and REITs has remained below zero, indicating relatively benign credit risks for REITs.

Expectation of fund manager

Commercial real estate fundamentals are strong going into 2022. Developed markets' economies recovered strongly in 2021 and are expected to grow above trend in 2022 as well. Employment growth is strong and labor markets are tight. Historically, employment growth has been a key demand driver of real estate space. With attractive financing costs and a reopening of our society underway, fundamentals are supportive for property stocks. Its attractive yield is even more valuable due to the sector's natural inflation-hedging attributes. 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.

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

Top 10 largest positions

The largest names in the portfolio represent companies that are beneficiaries from long-term trends that have accelerated during Covid-19. Equinix is a data center owner/operator benefiting from accelerated growth in internet usage. Prologis is one of the world's leading logistics warehouse developers/owners. Alexandria is one of the largest landlords to life science companies. The fund also has material exposure to stocks that will benefit most from the reopening of the economy, for example via top ten positions Simon Property Group, Kimco Realty, Federal Realty, AvalonBay Communities and Essex Property Trust.

Fund price

28-02-22	EUR	223.90
High Ytd (03-01-22)	EUR	245.96
Low Ytd (23-02-22)	EUR	217.93

Fees

Management fee	0.75%
Performance fee	None
Service fee	0.12%
Expected transaction costs	0.08%

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, Peru, Singapore, Spain, Sweden, Switzerland, 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	LU0234965001
Bloomberg	RCGFPEI LX
Sedol	B18THK4
WKN	AOJ4AF
Valoren	2327709

Top 10 largest positions

Holdings

Prologis Inc
Equinix Inc
AvalonBay Communities Inc
Extra Space Storage Inc
Simon Property Group Inc
Alexandria Real Estate Equities Inc
Kimco Realty Corp
Essex Property Trust Inc
Federal Realty Investment Trust
Equity LifeStyle Properties Inc
Total

Sector	%
Real Estate Investment Trusts (REITs)	7.18
Real Estate Investment Trusts (REITs)	5.40
Real Estate Investment Trusts (REITs)	3.96
Real Estate Investment Trusts (REITs)	3.69
Real Estate Investment Trusts (REITs)	3.46
Real Estate Investment Trusts (REITs)	3.33
Real Estate Investment Trusts (REITs)	3.10
Real Estate Investment Trusts (REITs)	3.03
Real Estate Investment Trusts (REITs)	2.60
Real Estate Investment Trusts (REITs)	2.59
Total	38.33

Top 10/20/30 weights

TOP 10	38.33%
TOP 20	60.07%
TOP 30	76.12%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	4.22	3.49
Information ratio	0.56	0.69
Sharpe ratio	0.60	0.53
Alpha (%)	3.11	2.83
Beta	0.84	0.87
Standard deviation	15.26	13.72
Max. monthly gain (%)	7.53	10.77
Max. monthly loss (%)	-16.07	-16.07

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	21	37
Hit ratio (%)	58.3	61.7
Months Bull market	23	36
Months outperformance Bull	13	21
Hit ratio Bull (%)	56.5	58.3
Months Bear market	13	24
Months Outperformance Bear	8	16
Hit ratio Bear (%)	61.5	66.7

Above mentioned ratios are based on gross of fees returns.

Sustainability

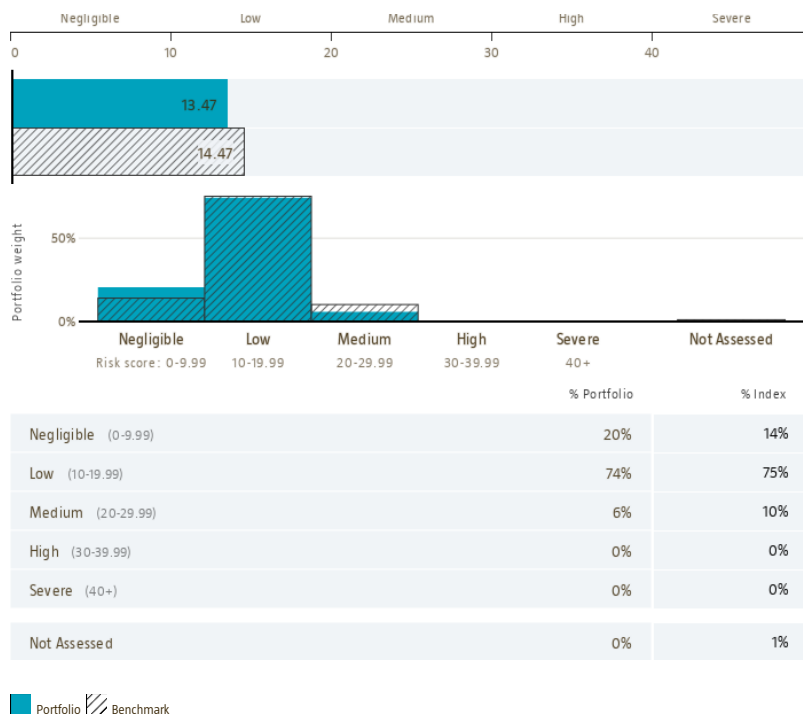
The fund incorporates sustainability in the investment process via exclusions, ESG integration, ESG and environmental footprint targets, and voting. The fund does not invest in issuers that are in breach of international norms or where activities have been deemed detrimental to society following Robeco's 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.

ESG Risk Score

The Portfolio Sustainability ESG Risk Rating chart displays the portfolio's ESG Risk Rating. This is calculated by multiplying each portfolio component's Sustainability ESG Risk Rating by its respective portfolio weight. If an index has been selected, those scores are provided alongside the portfolio scores, highlighting the portfolio's ESG risk level compared to the index.

The Sustainability ESG Risk Rating distribution chart shows the portfolio allocations broken into Sustainability's 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. If an index has been selected, the same information is shown for the index.

ESG Risk Score



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Footprint Ownership

Footprint ownership expresses the total resource utilization the portfolio finances. Each assessed company's footprint is calculated by normalizing resources utilized by the company's enterprise value including cash (EVIC). Multiplying these values by the dollar amount invested in each assessed company yields the aggregate footprint ownership figures. The selected index's footprint is provided alongside. Sovereign and cash positions have no impact. The portfolios score is shown in blue and the index in grey.

Environmental Footprint



Source: Robeco data based on Trucost data. *



Source: Data based on RobecoSAM impact data.



Source: Data based on RobecoSAM impact data.

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Asset Allocation

Asset allocation		
Equity		97.4%
Cash		2.6%

Sector allocation

The fund managers prefer real estate companies with solid income-producing portfolios and financial profiles. The fund is overweight in industrial, residential, office and specialty REITs, and underweight in triple-net and hotel REITs. The four key trend portfolios are: PropTech, Prime Office, Prime Retail and Lifestyle. These four trends represent 34%, 22%, 12% and 32% respectively, of the fund. In 2021, GRESB published the ESG Assessment results. The fund's holdings included in the GRESB database had an average score of 82 versus 81 for the benchmark average. The fund has an above-average sustainability score as awarded by Morningstar.

Sector allocation		Deviation index	
Real Estate Investment Trusts (REITs)	<div><div></div></div> 77.3%	<div><div></div></div>	-3.2%
Real Estate Management & Development	<div><div></div></div> 20.7%	<div><div></div></div>	1.2%
Diversified Telecom Services	<div><div></div></div> 1.3%	<div><div></div></div>	1.3%
Professional Services	<div><div></div></div> 0.7%	<div><div></div></div>	0.7%

Regional allocation

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

Regional allocation		Deviation index	
America	<div><div></div></div> 62.9%	<div><div></div></div> 4.2%	
Asia	<div><div></div></div> 21.7%	<div><div></div></div> -3.4%	
Europe	<div><div></div></div> 15.4%	<div><div></div></div> 0.3%	
Middle East	<div><div></div></div> 0.0%	<div><div></div></div> -1.2%	

Currency allocation

The fund manager implements an active currency hedging policy. The fund is overweight in the Brazilian real, as hedging is relatively expensive for emerging market currencies.

Currency allocation			Deviation index	
U.S. Dollar	<div><div></div></div>	57.0%	<div><div></div></div>	-0.3%
Japanese Yen	<div><div></div></div>	11.5%	<div><div></div></div>	0.0%
Euro	<div><div></div></div>	7.7%	<div><div></div></div>	0.5%
Australian Dollar	<div><div></div></div>	5.0%	<div><div></div></div>	-0.4%
Pound Sterling	<div><div></div></div>	4.8%	<div><div></div></div>	0.2%
Hong Kong Dollar	<div><div></div></div>	4.6%	<div><div></div></div>	0.4%
Singapore Dollar	<div><div></div></div>	3.2%	<div><div></div></div>	0.2%
Swedish Kroner	<div><div></div></div>	2.2%	<div><div></div></div>	0.0%
Canadian Dollar	<div><div></div></div>	1.9%	<div><div></div></div>	0.2%
Swiss Franc	<div><div></div></div>	0.9%	<div><div></div></div>	-0.1%
Brasilian Real	<div><div></div></div>	0.7%	<div><div></div></div>	0.7%
Norwegian Kroner	<div><div></div></div>	0.2%	<div><div></div></div>	0.0%
Other	<div><div></div></div>	0.1%	<div><div></div></div>	-1.5%

Investment policy

Robeco Sustainable Property Equities is an actively managed fund investing in equities from developed countries around the world. The selection of these stocks is based on a fundamental analysis. The fund's objective is to achieve a better return than the index. The fund aims for a better sustainability profile compared to the Benchmark by promoting certain ESG (i.e. Environmental, Social and corporate Governance) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation and integrating 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, while avoiding investment in thermal coal, weapons, military contracting and companies that severely violate labor conditions, next to proxy voting and engagement. The fund also aims for an improved environmental footprint compared to the Benchmark. This fund is the first to identify strong global trends in the real estate sector. Within these trends, this fund focuses on companies with the best prospects in the sector. The fund managers use carefully developed models to choose stocks with good earnings expectations and reasonable valuation. The fund aims at selecting stocks with relatively low environmental footprints compared to stocks with high environmental footprints. 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

Mr. Folmer Pietersma, CeFA, is Portfolio Manager with Robeco and member of the Property Team. Prior to joining Robeco in 2007, Folmer worked at ABN AMRO Asset Management as a financial analyst and started his career in 1998 as a sell side trader at ABN AMRO's wholesale division. Folmer holds a master's degree in Economics from the University of Tilburg. In 2001 he obtained his Master of Financial Analysis' degree (Vrije Universiteit Amsterdam) and his CEFA registration.

Mr. Frank Onstwedder is a member of the Property team. Together with portfolio manager Folmer Pietersma he is the portfolio manager of Robeco Property Equities. Frank worked at NN Investment Partners in The Hague, where he has been head of financials in the global equity research department since 2009. Before that, he was a real estate equities senior portfolio manager at Lehman Brothers Asset Management in Amsterdam. Between 2000 and 2007 he worked at Robeco, where his positions included head of the Pacific team and portfolio manager of the property fund. Between 1998 and 1999 he was an equities portfolio manager at Aegon Investment Management in The Hague. Frank started his career in 1994 as an equities portfolio manager at Robeco. He holds a Master's degree in Econometrics from the 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 0.01% 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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Morningstar

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Eurosif disclaimer

The European SRI Transparency logo signifies that Robeco commits to provide accurate, adequate and timely information to enable stakeholders, in particular consumers, to understand the Sustainable Responsible Investment (SRI) policies and practices relating to the fund. Detailed information about the European SRI Transparency Code can be found on www.eurosif.org, and information of the SRI policies and practices of the Robeco Sustainable Property Equities can be found at: www.robeco.com. The Transparency Code are managed by Eurosif, an independent organisation. The European SRI Transparency Logo reflects the fund manager's commitment as detailed above and should not be taken as an endorsement of any particular company, organisation or individual.



Febelfin disclaimer

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