

## Robeco Emerging Conservative Equity Fund (AUD)

As of 31 January 2022

Robeco Emerging Conservative Equity Fund (AUD) invests through the Luxembourg domiciled fund Robeco Emerging Conservative Equity in low-volatile stocks in emerging markets across the world. The fund's long-term aim is to achieve returns comparable to those on emerging-markets stocks, but at an expected lower level of downside risk. The selection of these low-volatile stocks is carried out using a quantitative model, which ranks stocks in a variety of ways, including market sensitivity, volatility, distress risk, valuation and sentiment.



**Pim van Vliet, Arlette van Ditshuizen, Maarten Polfliet, Jan Sytze Mosselaar, Arnoud Klep, Yaowei Xu**  
Fund Manager since 14/02/2011

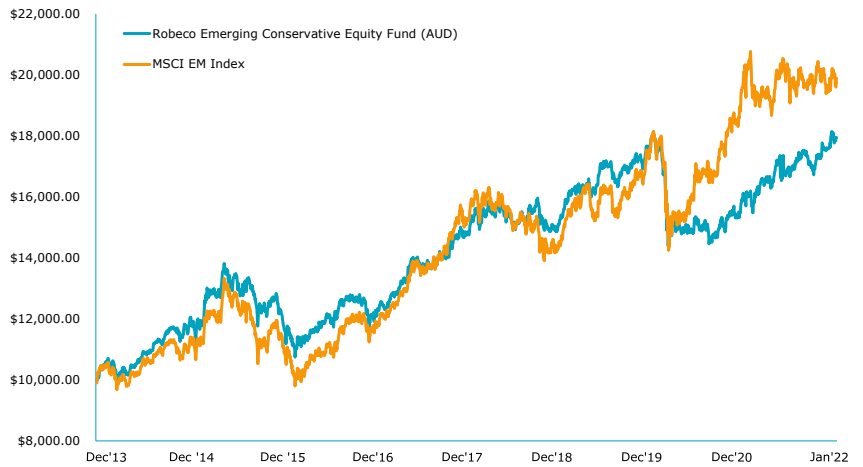
### Net Performance (AUD)%

Period	Fund Return	Index Return	Fund Volatility	Index Volatility	Fund Return / Volatility	Index Return / Volatility
1-Month	1.90%	1.24%	-	-	-	-
3-Month	6.95%	2.21%	-	-	-	-
6-Month	6.55%	-0.46%	-	-	-	-
1-Year	18.25%	1.03%	8.95%	8.73%	2.04	0.12
3-Year*	5.58%	8.43%	10.05%	11.29%	0.56	0.75
5-Year*	8.44%	9.92%	9.55%	10.70%	0.88	0.93
Calendar to Date	1.90%	1.24%	-	-	-	-
Since Inc.*	7.82%	8.44%	8.98%	10.36%	0.87	0.81
Since Dec-13	85.72%	94.65%	-	-	-	-

\*Annualised (for periods longer than one year)

Fund return after fees, before taxes. Past performance is not a reliable indicator of future performance.

### Net Performance Growth of \$10,000



Fund inception date 12 November 2013

### Manager's Comments

#### Performance

The conservative equities that the fund typically selects as part of its investment strategy outperformed the market last month. Low-risk and momentum had a muted impact. The main contributors on a single-stock level were Chinese banks such as Bank of Communications, Agricultural Bank of China and Bank of China. Moreover, holding Chinese energy giant Sinopec added to relative performance, as did the underweight in the volatile healthcare sector. The main detractors were holding Indian IT stocks Tech Mahindra, Wipro and Infosys, as these stocks experienced a setback after a stellar 2021. The underweight in the well-performing materials sector also detracted last month.

### Top 10 largest positions

Holdings	Sector	%
Infosys Ltd ADR	Information Technology	3.12
Samsung Electronics Co Ltd	Information Technology	2.73
Bank of China Ltd	Financials	2.05
Chunghwa Telecom Co Ltd	Communication Services	1.87
Malayan Banking Bhd	Financials	1.66
Asustek Computer Inc	Information Technology	1.65
Agricultural Bank of China Ltd	Financials	1.60
Tech Mahindra Ltd	Information Technology	1.60
Bank of Communications Co Ltd	Financials	1.53
Telefonica Brasil SA ADR	Communication Services	1.52
<b>Total</b>		<b>19.33</b>

### Reference Index

MSCI Emerging Markets Index (Net Return) (AUD)

### Key Information

APIR Code	ETLO381AU
Type of fund	Equities
Currency	AUD
Fund inception date	12/11/2013
Strategy inception date	14/02/2011
Total size of fund	AUD \$ 259,938,190
Strategy FUM	AUD \$ 3,792,262,377
Daily tradable	Yes
Responsible entity	Equity Trustees Limited
Currency hedging	Nil

### Fees

Management fee	0.91%
Buy/Sell spread	0.26% / 0.35%

### Investment Objective

The objective of Robeco Emerging Conservative Equity Fund (AUD) is to deliver long-term equity returns at an expected lower risk than that of a market capitalisation weighted index. It aims to achieve a higher Sharpe ratio than equities in the long term. The fund invests in stocks that show lower volatility combined with good upside potential. It combines the outcome of a stock selection model with a disciplined portfolio construction algorithm. This prudent investment approach results in a low turnover portfolio of low-volatile stocks with low valuation and positive market sentiment.

### Expectation of Fund Manager

The Emerging Conservative Equities Fund invests in low volatility stocks with lower expected downside risk and good upside potential. The more stable stocks tend to be overlooked by investors, though they offer relatively high returns given their risk profile. We expect the fund to do particularly well during down markets and volatile market conditions. In a very bullish environment, the fund could lag the overall market, yet still deliver good absolute returns. In the long term, we expect stable equity returns and high income with considerably lower downside risk.

### ESG integration policy

The fund systematically incorporates sustainability in the investment process via exclusions, ESG integration, ESG and environmental footprint targets, engagement and voting. The fund does not invest in stocks issued by companies that are in breach of international norms or where its activities have been deemed detrimental to society following Robeco's exclusion policy. Financially material ESG factors are integrated in the portfolio construction to ensure the ESG score of the portfolio is better than that of the index. In addition, the environmental footprints of the fund are made lower than that of the benchmark by restricting the GHG emissions, water use and waste generation. With these portfolio construction rules, stocks issued by companies with better ESG scores or environmental footprints are more likely to be included in the portfolio while stocks issued by companies with worse ESG scores or environmental footprints are more likely to be divested from the portfolio. 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.

### SI fund classification

	Yes	No	N/A
Voting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engagement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### PRI ESG Integration Classification

	Yes	No	N/A
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sustainability Themed Fund	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Asset allocation

Asset allocation	
Equity	99.2%
Cash	0.8%

### Sector allocation

The Robeco Emerging Conservative Equity Fund (AUD) is not benchmark driven. It uses a quantitative stock selection model for bottom-up selection of stocks with low absolute risk and high expected return characteristics. The current weights in defensive sectors are high compared to regular indices. This is due to the fact that these sectors contain a relatively large number of stable and attractively priced stocks.

Sector allocation		Deviation index
Financials	25.9%	5.1%
Information Technology	20.3%	-1.5%
Communication Services	12.1%	1.2%
Consumer Staples	10.4%	4.7%
Industrials	7.1%	2.2%
Utilities	6.6%	4.2%
Energy	5.2%	-0.6%
Consumer Discretionary	4.9%	-8.2%
Materials	3.6%	-5.1%
Real Estate	2.5%	0.4%
Health Care	1.0%	-2.8%
Other	0.4%	0.4%

### Country allocation

The Emerging Conservative Equity Fund (AUD) is not benchmark driven. It uses a quantitative stock selection model for bottom-up selection of stocks with low absolute risk and high expected return characteristics. The current weights in certain countries are high compared to regular indices. This is due to the fact that these countries contain a relatively large number of stable stocks, which are attractively priced.

Country allocation		Deviation index
Taiwan	25.4%	9.3%
China	23.5%	-8.6%
India	9.1%	-3.4%
Korea	8.7%	-3.0%
Russia	5.4%	2.1%
Saudi Arabia	5.1%	1.4%
Mexico	4.7%	2.7%
Brazil	4.5%	-0.1%
Malaysia	4.5%	3.1%
United Arab Emirates (U.A.E.)	2.2%	1.0%
Turkey	1.7%	1.5%
Thailand	1.6%	-0.1%
Other	3.8%	-5.7%

### Important information MSCI

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The Fund's Target Market Determination is available here <https://www.eqt.com.au/insto/>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.