

## Robeco Emerging Conservative Equity Fund (AUD)

The Robeco Emerging Conservative Equity Fund (AUD) is an actively managed fund that invests in low-volatility stocks in emerging countries across the world. The selection of these stocks is based on a quantitative model. The fund's objective is to achieve a better return than the index. The selected low-risk stocks are characterized by high dividend yields, attractive valuation, strong momentum and positive analyst revisions as well. This results in a diversified, low turnover portfolio of defensive stocks aiming to achieve stable equity returns and high income.



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Fund manager since 14-02-2011

### 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 \$ 220,081,399
Strategy FUM	AUD \$ 3,299,379,951
Daily tradable	Yes
Responsible entity	Equity Trustees Limited
Currency hedging	Nil

### Fees

Management fee	0.91%
Buy/Sell spread	0.30% / 0.41%

### 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.

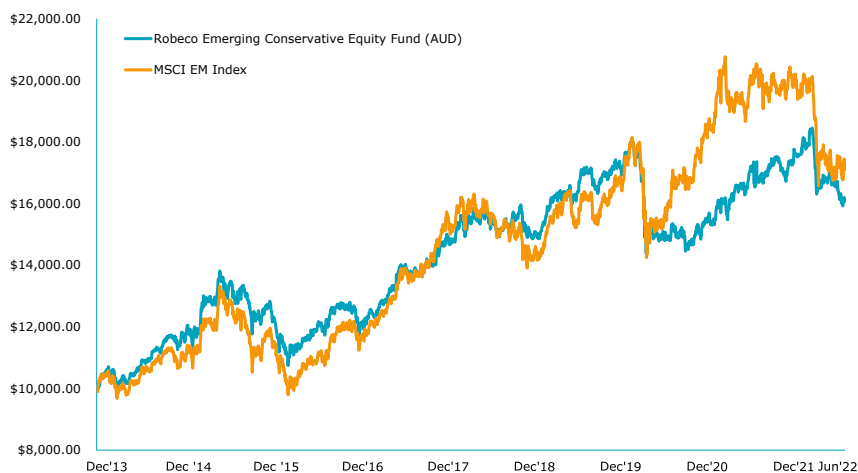
### Net Performance (AUD)%

Period	Fund Return	Index Return	Fund Volatility	Index Volatility	Fund Return / Volatility	Index Return / Volatility
1-Month	-3.89%	-2.61%	-	-	-	-
3-Month	-4.26%	-3.30%	-	-	-	-
6-Month	-8.73%	-12.91%	-	-	-	-
1-Year	-4.53%	-18.43%	9.39%	10.07%	-0.48	-1.83
3-Year*	-0.75%	1.25%	10.52%	11.51%	-0.07	0.11
5-Year*	3.96%	4.44%	9.81%	11.22%	0.40	0.40
Calendar to Date	-8.73%	-12.91%	-	-	-	-
Since Inc.*	6.03%	6.15%	9.13%	10.62%	0.66	0.58
Since Dec-13	65.77%	67.45%	-	-	-	-

\*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



### Performance

The conservative equities that the fund typically selects as part of its investment strategy underperformed the market last month. From a factor perspective, low-risk contributed positively, but value and momentum detracted from performance. The main positive contribution came from avoiding the weak performance of Taiwan Semi. Most other single-stock effects were marginal compared to the above-mentioned stocks.

### 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.

### Top 10 largest positions

Holdings	Sector	%
Infosys Ltd ADR	Information Technology	2.55
Bank of China Ltd	Financials	2.49
Samsung Electronics Co Ltd	Information Technology	2.33
Malayan Banking Bhd	Financials	1.95
Agricultural Bank of China Ltd	Financials	1.88
Bank of Communications Co Ltd	Financials	1.86
Wal-Mart de Mexico SAB de CV	Consumer Staples	1.85
Chunghwa Telecom Co Ltd	Communication Services	1.81
Arca Continental SAB de CV	Consumer Staples	1.56
Telefonica Brasil SA ADR	Communication Services	1.54
<b>Total</b>		<b>19.82</b>

### Sustainability

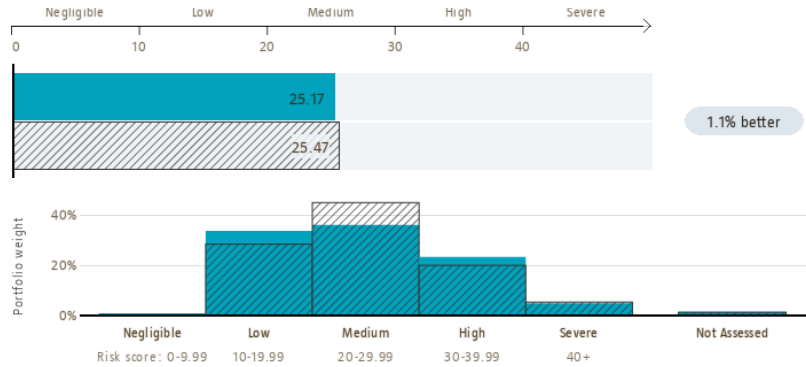
The fund systematically incorporates sustainability in the investment process via exclusions, ESG integration, ESG and environmental footprint targets, engagement and voting. The fund does not invest in stocks issued by companies that are in breach of international norms or where its activities have 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.

### 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



Risk Level	Portfolio	Benchmark
Negligible (0-9.99)	1%	0%
Low (10-19.99)	34%	28%
Medium (20-29.99)	36%	45%
High (30-39.99)	23%	20%
Severe (40+)	5%	5%
Not Assessed	2%	1%

■ Portfolio ▨ Benchmark

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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

**GHG Emissions Scope 1 & 2**  
tCO<sub>2</sub>e/g/mUSD

43.7% below

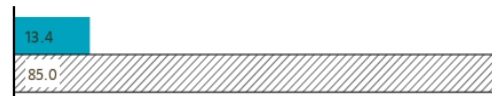
Source: Robeco data based on Trucost data. \*



**Waste generation**  
tonnes/mUSD

84.2% below

Source: Data based on RobecoSAM impact data.



**Water Use**  
m<sup>3</sup>/mUSD

13.7% below

Source: Data based on RobecoSAM impact data.



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### Asset Allocation

Asset allocation	
Equity	99.4%
Cash	0.6%

### 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	27.7%	6.5%
Information Technology	15.8%	-3.4%
Communication Services	12.6%	2.0%
Consumer Staples	12.6%	6.5%
Industrials	7.7%	2.1%
Utilities	6.6%	3.7%
Consumer Discretionary	5.5%	-9.4%
Real Estate	3.6%	1.5%
Energy	3.2%	-1.8%
Materials	2.5%	-5.9%
Health Care	1.5%	-2.5%
Not Classified	0.6%	0.6%

### Country 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 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
China	24.2%	-11.2%
Taiwan	21.5%	7.0%
Korea	8.9%	-2.3%
Saudi Arabia	6.7%	2.4%
India	6.6%	-6.1%
Mexico	6.4%	4.3%
Brazil	5.7%	0.8%
Malaysia	5.2%	3.7%
Thailand	3.7%	1.8%
United Arab Emirates (U.A.E.)	3.2%	1.9%
Turkey	2.6%	2.3%
Qatar	1.4%	0.4%
Other	3.8%	-5.2%

### 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.