

Robeco Multi Factor Absolute Return Fund (AUD) – Class B

Robeco Multi Factor Absolute Return Fund (AUD) – Class B is a systematic absolute return strategy. The fund harvests a highly diversifying set of factor premiums across a wide set of asset classes, aiming for attractive returns across market scenarios and low long-run correlation to the traditional asset classes.



Guido Baltussen, Pim van Vliet, Thibault Lair, Lodewijk van der Linden
Fund manager since 07-08-2018

Reference Index

ICE BofA Merrill Lynch AUD Currency Overnight Deposit Offered Rate Index

Key Information

| | |
|---------------------|-------------------------|
| APIR Code | ETL6152AU |
| Type of fund | Asset Allocation |
| Currency | AUD |
| Fund inception date | 26/08/2019 |
| Total size of fund | AUD \$1,748 |
| Daily tradable | Equity Trustees Limited |
| Responsible entity | |

Fees

| | |
|-----------------|---------------|
| Management fee | 0.79% |
| Buy/Sell spread | 0.17% / 0.15% |

Investment Objective

The aim of the Fund is to provide long term capital growth and low long-run correlation to the traditional asset classes by harvesting factors across all major asset classes in a risk-balanced and ESG-aware manner.

Factor Premiums

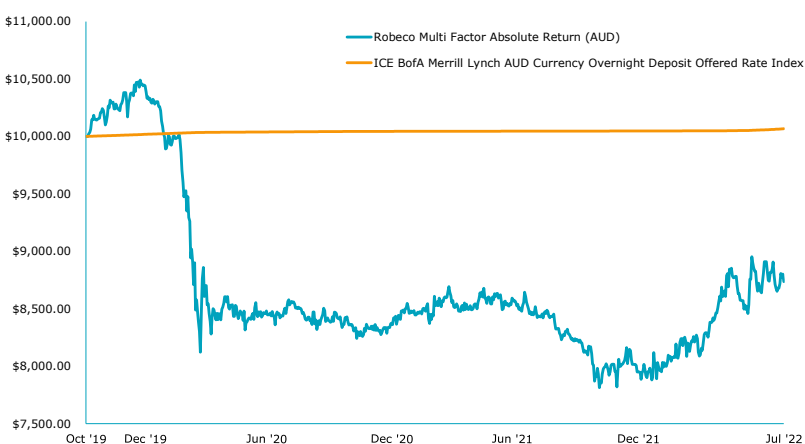
The fund harvests six factor premiums; value, momentum, low-risk, quality, carry and flow. These factors have strong risk adjusted performance, are robust to falsification, are persistent, explainable and executable. The fund utilizes enhanced factor exposures that mitigate unrewarded risks and efficiently deal with transaction costs. We optimize harvesting efficiency by utilizing a substantial investable universe, including 4,500 different equities, 15,000 different corporate bonds and over 50 liquid derivatives. Factor premiums are present in every major market as well as across markets. Bundling them in one strategy provides a highly diversified, academically founded and robust return generating solution.

| Net Performance (AUD)% | Portfolio | Index |
|------------------------------|-----------|-------|
| 1 month | -0.86% | 0.10% |
| 3 months | 1.96% | 0.18% |
| 6 months | 9.28% | 0.19% |
| 1 year | 3.43% | 0.21% |
| 3 years | - | - |
| Calendar to Date | 10.29% | 0.20% |
| Performance since inception* | -4.72% | 0.23% |

*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 26 August 2019

Manager's Comments

Performance

After a strong performance in the first half year, factor performance remained roughly flat over July. Low-risk and Quality provided the strongest positive contributions, followed by a smaller positive from Value. After a very strong performance in June, Momentum detracted this month. Flows also detracted somewhat while carry contributed neutrally. From an asset class perspective government bond allocation, currency allocation and equity selection were strong positive contributors, commodity allocation made a smaller positive contribution. Equity, credit allocation and credit selection detracted.

| Low-risk | Value | Momentum | Quality | Carry | Flow |
|--|--|--|---|---|--|
| | | | | | |
| "Be conservative" | "Buy low, sell high" | "Follow the trend" | "Pursue sound fundamentals" | "Collect income" | "Exploit supply & demand" |
| Low-risk assets offer higher risk-adjusted returns than high-risk assets | Low valued assets outperform expensively valued assets | Recent winners outperform and recent losers underperform | High quality names outperform assets with low quality | High yielding assets outperform low yielding assets | Accommodating asset flows is rewarding |

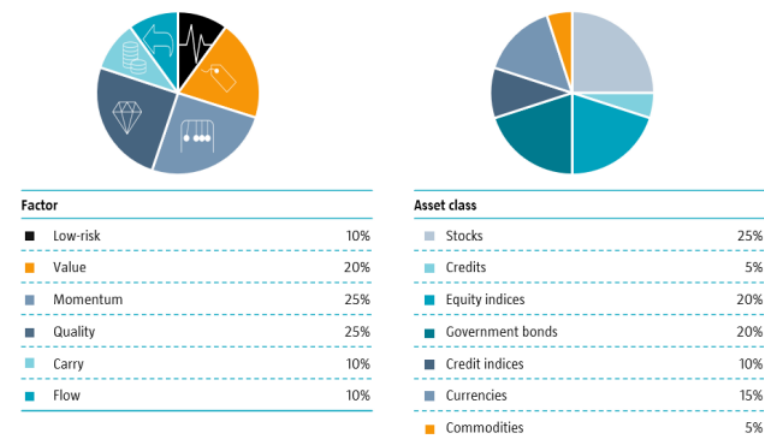
ESG integration policy

The fund systematically incorporates sustainability in the investment process via exclusions, ESG integration, ESG and environmental footprint targets, as well as engagement. The fund does not invest in 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 per asset class is better than that of the reference index. In addition, the environmental footprint of the asset class is made lower than that of the benchmark by restricting the GHG emissions, water use and waste generation. In addition, where a company is flagged for breaching international standards in the ongoing monitoring, the issuer will become subject to engagement.

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"/> |

Strategic allocation



Broad exposure to different factors and asset classes is important for achieving stable returns. To this end, we build a portfolio that is well-diversified across factors and asset classes at all times. We steer our strategic risk allocation to enhanced risk parity. This approach aims at equalizing the risk contributions of the different factors and asset classes, optimizing diversification to achieve our goal of generating stable returns. We strategically deviate from 'naïve' risk parity by incorporating additional information, such as breadth (we can invest for example in 5,200 stocks), return potential and portfolio considerations such as tail risks and leverage restrictions, achieving an optimal allocation of risk for the portfolio.

Robeco. Strategic risk allocation over factors and markets, these percentages are targets and realised volatility contributions move around their targets over time.

Portfolio Holdings

Our portfolio achieves the above strategic risk allocation by holding a large chunk of the portfolio in stocks and single-name credits, both via direct cash investments. On top of that the funds holds a liquid and sizable cash pool that underlies derivatives-based hedging and factor positions. Table 2 and the figures on the next page contain summary positioning graphs around the end of the quarter. As can be seen, the portfolio is widely diversified across individual securities, asset classes and markets.

| | Number of Positions | Leverage |
|-------------------------|---------------------|----------|
| Single-Name Stocks | 417 | 0% |
| Single-Name Corp. Bonds | 591 | 0% |
| Cash Bonds | 3 | 0% |
| Equity Futures | 17 | 147% |
| Bond Futures | 10 | 112% |
| CDX | 4 | 62% |
| Commodities | 25 | 11% |
| FX Forwards | 9 | 134% |
| Total | 1076 | 467% |

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The Fund's Target Market Determination is available here <https://www.egt.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.