

Robeco Asia-Pacific Equities D USD

Robeco Asia-Pacific Equities is an actively managed fund that invests in stocks in developed and emerging Asian-Pacific countries. 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 focuses on stocks of companies incorporated in Asia, Australia or New Zealand or those companies that exercise major part of economic activity from these regions. Country allocation is a less important performance driver, implemented via country and currency overlays.



Joshua Crabb, Harfun Ven
Fund manager since 01-06-2022

Performance

	Fund	Index
1 m	-0.33%	-1.03%
3 m	-2.63%	-3.88%
Ytd	5.19%	3.68%
1 Year	-0.48%	-2.46%
2 Years	-5.35%	-9.73%
3 Years	8.69%	5.05%
5 Years	0.08%	0.72%
10 Years	3.70%	3.65%
Since 02-2010	5.49%	4.86%

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
2022	-12.45%	-17.22%
2021	6.56%	-1.46%
2020	8.26%	19.71%
2019	16.91%	19.36%
2018	-18.54%	-13.52%
2020-2022	0.33%	-0.79%
2018-2022 Annualized (years)	-0.77%	0.16%

Index

MSCI AC Asia Pacific Index (Net Return, USD)

General facts

Morningstar	★★★
Type of fund	Equities
Currency	USD
Total size of fund	USD 486,841,566
Size of share class	USD 5,935,081
Outstanding shares	29,252
1st quotation date	18-02-2010
Close financial year	31-12
Ongoing charges	1.76%
Daily tradable	Yes
Dividend paid	No
Ex-ante tracking error limit	6.00%
Management company	Robeco Institutional Asset Management B.V.
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 30-04-2023) - Source: Robeco



Performance

Based on transaction prices, the fund's return was -0.33%.

The portfolio outperformed its benchmark over the month. China, Singapore, Hong Kong and South Korea were the largest contributors, with India and Japan detracting. Our overweight in industrials and financials helped, as did our underweight in communication services. However, despite being underweight in consumer discretionary, our position in Alibaba hurt performance, as did our underweight in utilities. China Resources Pharma was very resilient over the month, reflecting its earnings certainty and cheap valuation. Our underweight in Tencent also helped, as the market sentiment on internet plays soured again. CK Hutch and Alliance Global benefited from a potential deal and their improving earnings outlook respectively. China Communications Services continued its slow move up on valuation support and a stable earnings outlook. The biggest detractor was Alibaba, which saw a pullback after the strong move up on break-up speculation, unable to escape the internet sector malaise. Renesas, Rohm and Daiichi Sankyo all saw some profit-taking from the previous months. MediaTek continued to see headwinds on the concerns around demand for consumer tech products.

Market development

Asian markets drifted a little in April (-1.0%), underperforming global markets (+1.0%). The debate over rates continued, with the US 10-year trading in a 30 bps band over the month, but it only dropped 5 bps over the month to end at 3.42%. After the significant news flow in the last few months around SVB, CS and commercial real estate exposure, it was a quieter month on the news front. As highlighted that last month's concerns around commercial real estate (CRE) exposure have become of increasing focus, especially regarding the balance sheets of US regional banks. However, in Asia the rate environment is more subdued and concerns over global growth saw stronger performance from domestic demand markets in ASEAN, especially in Indonesia and the Philippines, along with India. There was also a renewed focus on Pakistan in the hope that the economy is bottoming out on very depressed valuations.

Expectation of fund manager

Market sentiment remains subdued with concerns around a global slowdown, a recession in the US and a slower-than-expected reopening in China. This is offset by the hope for an end to the tightening cycle. Japan's move away from YCC and improving corporate governance leading to restructuring, buybacks and higher dividends, will be supportive for that market. With global growth slowing, earnings risks will continue, but the sounder fiscal and monetary policy that has been adopted in Asia should make markets more resilient than in the past. The recent pullback in ASEAN makes long-term structural growth even more attractive. If the rate cycle in the US concludes and we see a recession, ASEAN and India will be back in focus again, with domestic growth less affected. Concerns over growth are likely to remain in cyclical sectors such as tech hardware, but asset-based valuations are getting closer to a trough in Asia and this should provide a floor. The portfolio's metrics still represent good value despite market moves at 10.9x forward earnings, 5.7x cash flow, 0.98x book, 10.7% ROE and 3.4% dividend yield.

Top 10 largest positions

Overall, the fund's focus is on value with a future: companies with good free cash flow generation and low expectations. Sizing of the position is based on earnings and to a lesser extent share price momentum. Alibaba continues to be a good value, cash generative business. With the worst of internet regulation behind it, a move to liberate shareholder value via break up aided performance. Leading Japanese bank SMFG along with Resona and insurer T&D are key portfolio beneficiaries of the move away from YCC in Japan. Samsung Electronics and Hitachi are companies that deserve to rerate further due to their leading positions in fast growing markets. Drug maker Takeda has a portfolio with a healthy future. Commodity leader BHP is a resources sustainability leader with strong cash flow generation. TSMC remains key to the future energy transition as the leading edge chip manufacturer. Renesas is a key supplier in the auto supply chain. The stock was very cheap relative to its strong IP in auto chips. Bank Mandiri is a digital leader in the underpenetrated Indonesian banking market.

Fund price

30-04-23	USD	202.36
High Ytd (26-01-23)	USD	211.15
Low Ytd (15-03-23)	USD	193.19

Fees

Management fee	1.50%
Performance fee	None
Service fee	0.20%
Expected transaction costs	0.17%

Legal status

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

Registered in

Austria, Belgium, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, Norway, Singapore, Spain, Switzerland, Taiwan, 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 into the investment process to ensure that positions always meet predefined guidelines.

Dividend policy

The fund does not distribute dividend. The fund retains any income that is earned and so its entire performance is reflected in its share price.

Fund codes

ISIN	LU0487305319
Bloomberg	RGASPU LX
Sedol	BYYQ2F0
WKN	A1J7SW
Valoren	3250362

Top 10 largest positions

Holdings	
Alibaba Group Holding Ltd	
Samsung Electronics Co Ltd	
Sumitomo Mitsui Financial Group Inc	
Hitachi Ltd	
T&D Holdings Inc	
Bank Mandiri Persero Tbk PT	
Takeda Pharmaceutical Co Ltd	
BHP Group Ltd	
Taiwan Semiconductor Manufacturing Co Lt	
Daiichi Sankyo Co Ltd	
Total	

Sector	%
Consumer Discretionary	4.08
Information Technology	4.05
Financials	3.80
Industrials	2.96
Financials	2.53
Financials	2.38
Health Care	2.23
Materials	2.19
Information Technology	2.15
Health Care	2.01
28.38	

Top 10/20/30 weights

TOP 10	28.38%
TOP 20	45.64%
TOP 30	59.20%

Statistics

	3 Years	5 Years
Tracking error ex-post (%)	4.51	4.73
Information ratio	1.19	0.18
Sharpe ratio	0.58	0.00
Alpha (%)	5.50	0.90
Beta	0.89	0.98
Standard deviation	15.80	17.17
Max. monthly gain (%)	12.89	12.89
Max. monthly loss (%)	-10.63	-14.31

Above mentioned ratios are based on gross of fees returns

Hit ratio

	3 Years	5 Years
Months outperformance	23	32
Hit ratio (%)	63.9	53.3
Months Bull market	19	32
Months outperformance Bull	8	15
Hit ratio Bull (%)	42.1	46.9
Months Bear market	17	28
Months Outperformance Bear	15	17
Hit ratio Bear (%)	88.2	60.7

Above mentioned ratios are based on gross of fees returns

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		99.1%
Cash		0.9%

Sector allocation

The fund is underweight in materials, consumer discretionary and communication services, mainly on the back of valuations, while it is overweight in industrials, financials and real estate, where we find better value. We currently do not have large sector positions, as we think opportunities lie more within stocks than sectors. Valuation differentials and strategy differences are driving these opportunities. Those taking advantage in areas such as energy transition, growth sectors like technology in vehicles and sustainable practices, and using technology to grow in underserviced parts of the economy offer exciting opportunities.

Sector allocation

		Deviation index
Industrials	20.9%	9.0%
Financials	20.6%	1.3%
Information Technology	17.3%	0.3%
Consumer Discretionary	12.6%	-1.7%
Communication Services	6.4%	-2.2%
Real Estate	6.0%	2.2%
Health Care	5.6%	-1.1%
Materials	4.0%	-3.4%
Consumer Staples	3.6%	-2.3%
Energy	2.3%	-0.7%
Utilities	0.6%	-1.5%

Country allocation

Following the pullbacks, ASEAN and Vietnam are looking attractive again and continue to be favored given the reasonable valuations and strong fundamentals. The fund continues to be overweight Japan driven by bottom-up stock ideas. South Korea is a key player in the global technology and auto sectors. Despite the growth headwinds, valuations are close to cycle lows, unlike their counterparts in the US. We remain underweight in India, Australia and Taiwan given the valuations, but recent pullbacks in India after the Adani controversy are producing some interesting stock ideas. After the reopening run in China and subsequent pullback, we continue to focus on areas where earnings will improve on the back of reopening.

Country allocation

		Deviation index
Japan	40.9%	8.4%
China	17.2%	-2.7%
Australia	9.4%	-1.8%
Korea	9.4%	1.8%
Taiwan	4.9%	-4.5%
Hong Kong	4.4%	0.3%
Singapore	3.8%	1.6%
Indonesia	3.4%	2.1%
India	3.1%	-5.6%
Philippines	1.4%	0.9%
Thailand	0.9%	-0.4%
United Kingdom	0.5%	0.5%
Other	0.7%	-0.6%

Currency allocation

The DXY continued to fall this month, losing another 0.8% on the continued belief that we are close to the end of rate hikes. The EUR was again the biggest beneficiary (up 1.3%), with the JPY actually falling against the USD on concerns that the new central bank governor may be slower to exit zero rates than hoped. The AUD gained 1.5%, while the domestic demand stories of Indonesia mentioned above increased 2.2% and 0.4% respectively. We still have a small JPY hedge given our overweight in that market.

Currency allocation

		Deviation index
Japanese Yen	38.7%	6.2%
Hong Kong Dollar	19.4%	-0.3%
Australian Dollar	9.3%	-1.8%
Korean Won	6.6%	-1.0%
U.S. Dollar	6.3%	5.4%
Taiwan Dollar	4.9%	-4.5%
Singapore Dollar	3.8%	1.6%
Indonesian Rupiah	3.3%	2.0%
Indian Rupee	3.1%	-5.6%
Chinese Renminbi (Yuan)	2.1%	-1.3%
Philippine Peso	1.3%	0.8%
Thailand Baht	0.9%	-0.4%
Other	0.2%	-1.2%

Investment policy

Robeco Asia-Pacific Equities is an actively managed fund that invests in stocks in developed and emerging Asian-Pacific countries. 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 and Social) characteristics within the meaning of Article 8 of the European Sustainable Finance Disclosure Regulation, integrates sustainability risks in the investment process and applies Robeco's Good Governance policy. The fund applies sustainability indicators, including but not limited to, normative, activity-based and region-based exclusions, proxy voting and engagement. The fund focuses on stocks of companies incorporated in Asia, Australia or New Zealand or those companies that exercise major part of economic activity from these regions. Country allocation is a less important performance driver, implemented via country and currency overlays. 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

Joshua Crabb is Lead Portfolio Manager and Head of Asia Pacific Equities. In the emerging markets universe he covers Thailand and Vietnam. Before joining Robeco in 2018, Joshua was Head of Asian Equities at Old Mutual and Portfolio Manager at BlackRock and Prudential in Hong Kong. He started his career in the investment industry as Sector Analyst at BT Financial Group in 1996. Joshua holds a Bachelor's with Honors in Finance from the University of Western Australia and he is a CFA® charterholder. Harfun Ven is Portfolio Manager in the Asia Pacific team with a focus on cyclical sectors. Prior to joining Robeco in 2008, he was Portfolio Manager Japanese Equities at Alliance Trust. Harfun also managed Premier Alliance Trust Japan Equity, a top quartile ranked fund. Before that, he spent six years with Bowen Capital Management, managing both Japan-only and Asia-Pacific funds. He started his career in the investment industry in 1998. Having grown up in Japan, he fluently speaks Japanese, Cantonese and English. Harfun holds an MBA from Boston University and a Bachelor's from the University of Massachusetts.

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 0.05% 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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